

Registered no 02583952

# **SAI Global Compliance Limited**

## **Report and Financial Statements**

30 June 2011

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COMPANIES HOUSE

## **SAI Global Compliance Limited**

Registered no 02583952

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### **Directors**

A Scotton  
G Richardson

### **Secretary**

M Patel  
H Myllyoja

### **Auditors**

Ernst & Young LLP  
400 Capability Green  
Luton LU1 3LU

### **Bankers**

Barclays Bank Plc  
Level 27  
1 Churchill Place  
London E14 5HP

### **Solicitors**

Shoosmiths  
Waterfront House  
Waterfront Plaza  
35 Station Road  
Nottingham NG2 3DQ

### **Registered Office**

Partis House  
Ground Floor  
Davy Avenue  
Knowlhill  
Milton Keynes  
MK5 8HJ

## Directors' report

The directors present their report and financial statements for the year ended 30 June 2011

### Results and dividends

The profit for the year after taxation amounted to £78,515 (2010 – loss of £516,410) The directors do not recommend the payment of a dividend

### Principal activity and review of the business

The principal activity of the company during the year included the design and development of compliance training and awareness and compliance management solutions to a range of market sectors and ongoing maintenance contracts to support these solutions

The results for the year and the financial position at the year end were considered satisfactory by the directors who expect growth in the foreseeable future

Turnover was up 31% on the previous year with the company continuing to improve its turnover through the range of products and serviced provided Gross profit has increased by 33% year on year

The directors are of the opinion that the key performance indicators for the business are growth in sales and gross margin percentage These are analysed below

	2011	2010
Growth in sales	31%	3%
Gross margin	68%	67%

### Business environment

The year ended 30 June 2011 provided a stable trading environment for the compliance training market

### Strategy and future prospects

The company's overriding objective is to achieve sustainable rates of growth by providing leading edge training and awareness solutions in key markets and business sectors under the SAI brand The company plans to grow and improve margins through expanding the range of solutions to its customers

### Principal risks and uncertainties

The management of the business and the execution of the company's strategy are subject to a number of risks Management reviews risk formally and appropriate processes are put in place to monitor and mitigate them

The key risks affecting the company are set out below

#### Resources

The company is expanding its business across a number of sectors and geographical areas, requiring additional sales people and placing increased demands on management To mitigate this risk additional personnel are being hired

#### Competition

The company operates in a competitive market, with new low cost entrants and larger players becoming involved To mitigate this risk and maintain its growth the company continues to invest in its core programmes and in developing new products

## Directors' report

### Going concern

The company has net current liabilities of £866,657 (2010 – £1,219,720) and net liabilities of £401,678 (2010 – £480,193). The company has support from its ultimate parent company, SAI Global Limited. Therefore, the directors believe it is appropriate to prepare the financial statements on the going concern basis.

### Financial risk management

The company's operations expose it to a variety of financial risks that include the effects of changes in prices, credit risk, liquidity and interest rate risk. The company has in place a risk management programme that seeks to limit the adverse effect on the financial performance of the company by monitoring these risks.

#### Price risk

The company is exposed to commodity price risk as a result of its operations. However, given the size of the company's operations, the costs of managing exposure to commodity price risk exceed any potential benefits. The directors will revisit the appropriateness of this policy should the company's operations change in size or nature.

#### Credit risk

The financial strength of existing customers is also monitored on a regular basis, and payment terms are kept to a minimum.

#### Liquidity risk

The group actively maintains a mixture of financing that is designed to ensure that the group has sufficient available funds for operations, and to ensure that surplus cash is utilised effectively to minimise borrowing costs.

#### Interest rate risk

The company has interest bearing loans through intercompany and so does not consider itself exposed to interest rate risk as this is monitored actively throughout the group.

### Directors

The directors who served the company during the year were as follows:

A Scotton  
G Richardson

### Disclosure of information to the auditors

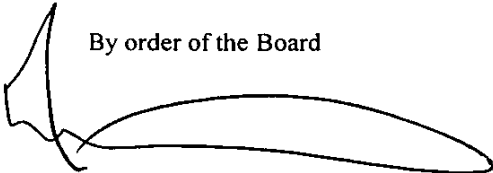
So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

## Directors' report

### 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



G Richardson  
Date

**27 MAR 2012**

Registered No 02583952

## 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). 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 judgements 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,
- 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 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 auditors' report**

**to the members of SAI Global Compliance Limited**

We have audited the financial statements of SAI Global Compliance Limited for the year ended 30 June 2011 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Total Recognised Gains and Losses, and the related notes 1 to 19. 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).

## **Respective responsibilities of directors and auditors**

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 an 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.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

## **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 Directors' 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 the 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 June 2011 and of its profit 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.

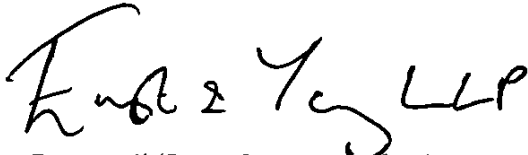
## **Independent auditors' report**

**to the members of SAI Global Compliance Limited**

### **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

A handwritten signature in black ink, appearing to read 'Fraser Bull', written over the printed name.

Fraser Bull (Senior Statutory Auditor)  
For and on behalf of Ernst & Young LLP  
Luton  
Date

**27 MAR 2012**



## Profit and loss account

for the year ended 30 June 2011

	<i>Notes</i>	<b>2011</b> <b>£</b>	<b>2010</b> <b>£</b>
<b>Turnover</b>	2	<b>3,948,704</b>	3,006,431
Cost of sales		<b>(1,264,365)</b>	(985,551)
<b>Gross profit</b>		<b>2,684,339</b>	2,020,880
Distribution costs		<b>(1,588,341)</b>	(1,441,150)
Administrative expenses		<b>(1,013,998)</b>	(1,091,404)
<b>Operating profit</b>	3	<b>82,000</b>	(511,674)
Interest receivable and similar income		—	—
Interest payable and similar charges	4	<b>(560)</b>	(1,646)
<b>Profit on ordinary activities before taxation</b>		<b>81,440</b>	(513,320)
Tax	6	<b>(2,925)</b>	(3,090)
<b>Profit for the financial year</b>	13	<b>78,515</b>	(516,410)

## Statement of total recognised gains and losses

for the year ended 30 June 2011

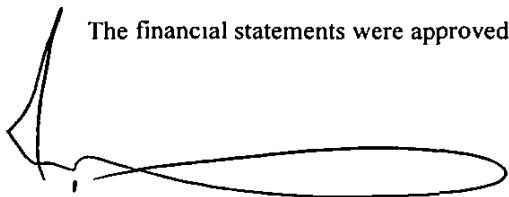
There are no recognised gains or losses other than the profit attributable to the shareholders of the company of £78,515 in the year ended 30 June 2011 (2010 – loss of £516,410)

**Balance sheet**

at 30 June 2011

	Notes	2011 £	2010 £
<b>Fixed assets</b>			
Tangible assets	7	10,972	6,034
Intangible assets	8	454,007	733,493
		<u>464,979</u>	<u>739,527</u>
<b>Current assets</b>			
Work in progress		75,452	87,718
Debtors amounts falling due within one year	9	2,882,119	1,876,727
Cash at bank and on hand		42,226	488
		<u>2,999,797</u>	<u>1,964,933</u>
<b>Creditors: amounts falling due within one year</b>	10	<u>(3,866,454)</u>	<u>(3,184,653)</u>
<b>Net current liabilities</b>		<u>(866,657)</u>	<u>(1,219,720)</u>
<b>Net liabilities</b>		<u>(401,678)</u>	<u>(480,193)</u>
<b>Capital and reserves</b>			
Called up share capital	11	103	103
Share premium	12	24,997	24,997
Profit and loss account reserve	13	(426,778)	(505,293)
<b>Shareholders' funds</b>	14	<u>(401,678)</u>	<u>(480,193)</u>

The financial statements were approved by the Board and signed on its behalf by



G Richardson

Director

Date **27 MAR 2012**

Registered no 02583952

## Notes to the financial statements

at 30 June 2011

### 1. Accounting policies

#### *Basis of preparation*

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards

#### *Going concern*

The company has net current liabilities of £866,657 (2010 – £1,219,720) and net liabilities of £401,678 (2010 – net liabilities of £480,193). The company has support from its ultimate parent company, SAI Global Limited. Therefore, the directors believe it is appropriate to prepare the financial statements on the going concern basis.

#### *Statement of cash flows*

The company is a wholly owned subsidiary of SAI Global Limited and is included in the consolidated financial statements of SAI Global Limited, which are publicly available. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1 (revised 1996). The company is also exempt under the terms of FRS 8 from disclosing related party transactions with entities that are wholly owned and members of the SAI Global Limited group.

#### *Turnover*

Turnover represents sales, excluding value added tax. Revenue from product licences is recognised at the time of sale. With the exception of library revenue, all other annual contract revenue is recognised evenly over the life of the contract. 85% of library revenue is accounted for in the first year of the contract and the remaining revenue is recognised over the life of the contract in the first month and then over 11 months in any subsequent years.

Revenue from product sales is recognised on delivery of the equipment. Revenue from bespoke development and heavily customised products, where contracts extend over more than one accounting year, is recognised based on the stage of completion when the outcome of the contract can be foreseen with reasonable certainty and after allowing for costs to completion.

#### *Tangible fixed assets*

Tangible fixed assets are stated at historical purchase cost less accumulated depreciation.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value based on prices prevailing at the date of acquisition, of each asset evenly over its expected useful life as follows:

Fixtures, fittings and equipment	–	20% straight line basis
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#### *Intangible assets*

Amortisation is provided on all intangible assets, at rates calculated to write off the cost, less estimated residual value based on prices prevailing at the date of acquisition, of each asset evenly over its expected useful life as follows:

Software development content	–	33 1/3% straight line basis
Software development platform	–	20% straight line
Software acquisition costs	-	33 1/3% straight line basis

## Notes to the financial statements

at 30 June 2011

### 1. Accounting policies (continued)

#### *Work in progress*

Work in progress is valued at the lower of cost and net realisable value after making due allowances for irrecoverable amounts. Costs include all directly attributable expenditure.

#### *Deferred taxation*

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more, tax, with the following exceptions:

- Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, or gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.
- Deferred tax assets are recognised only to the extent that the directors consider that it is 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 is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

#### *Foreign currencies*

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date.

All differences are taken to the profit and loss account.

#### *Leasing and hire purchase commitments*

Rentals applicable to operating leases where substantially all the benefits and risks of ownership remain with the lessor are charged against profit as incurred. Assets held under finance leases are capitalised and depreciated over their useful lives. The corresponding lease obligation is treated in the balance sheet as a liability. The interest element of rental obligations is charged to profit and loss account over the year of the lease at a constant proportion of the outstanding balance of capital repayments.

#### *Pensions*

The pension costs charged in the financial statements represent the contribution payable by the company during the year to a defined contribution pension scheme for employees.

The regular cost of providing retirement pensions and related benefits is charged to the profit and loss account as and when incurred.

## Notes to the financial statements

at 30 June 2011

### 2. Turnover

Turnover, which is stated net of value added tax, represents amounts invoiced to third parties and is attributable to one continuing activity, as stated in the directors' report

An analysis of turnover by geographical market is given below

	2011 £	2010 £
UK	1,983,946	1,490,809
Europe	1,942,295	1,363,050
Rest of world	22,463	152,572
	<u>3,948,704</u>	<u>3,006,431</u>

Materially all turnover, profit before taxation and net assets originate in the UK

### 3. Operating profit

This is stated after charging/(crediting)

	2011 £	2010 £
Auditors' remuneration	-	-
Depreciation of owned fixed assets	6,380	5,436
Amortisation on intangible fixed assets	401,382	406,359
	<u>407,762</u>	<u>411,795</u>
Operating lease rentals – plant and machinery	757	962
– others	24,172	23,416
	<u>24,929</u>	<u>24,378</u>
Net loss on foreign currency translation	12,982	117,026

Audit fees have been borne by the ultimate parent company, SAI Global Limited in 2011 and in 2010, had the company incurred the audit fee this would have been £16,000 (2010 – £8,000) There were no non audit services provided in either year

## Notes to the financial statements

at 30 June 2011

### 4. Directors' remuneration

During the current period, the directors were remunerated by the parent company for services provided as directors of the group. The parent company levies a management charge to each group company for all central overheads incurred during the period in respect of the group. It is not possible to make an accurate apportionment of these charges in respect of directors' remuneration recharged, although the amount in relation to such remuneration would be incidental to the company.

### 5. Staff costs

	<i>2011</i>	<i>2010</i>
	<i>£</i>	<i>£</i>
Wages and salaries	1,402,878	1,308,847
Social security costs	150,591	136,934
Other pension costs	77,249	53,521
	<u>1,630,718</u>	<u>1,499,302</u>

Other pension costs represent amounts payable to personal pension schemes. At the year end pension contributions of £9,487 (2010 – £6,903) were due to the schemes.

The average monthly number of employees during the year was made up as follows

	<i>2011</i>	<i>2010</i>
	<i>No</i>	<i>No</i>
Office and management	<u>31</u>	<u>30</u>

## Notes to the financial statements

at 30 June 2011

### 6 Tax

(a) Tax on profit on ordinary activities

The tax charge is made up as follows

	2011 £	2010 £
<i>Current tax</i>		
UK corporation tax on the profit for the year	-	-
Total current tax (note 6(b))	-	-
<i>Deferred tax</i>		
Origination and reversal of timing differences	2,925	3,090
Total deferred tax (note 9)	2,925	3,090
Tax on profit on ordinary activities	2,925	3,090

(b) Factors affecting current tax charge for the year

The tax assessed for the year is lower than the standard rate of corporation tax in the UK of 27.5% (2010 – 28%). The differences are explained below

	2011 £	2010 £
Profit on ordinary activities before tax	81,440	(513,320)
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 27.5% (2010 – 28%)	22,396	(143,730)
<i>Effects of</i>		
Accelerated capital allowances	(2,433)	(3,090)
Permanent differences	320	473
Group relief (received)/surrendered	(20,283)	146,347
Current tax for the year (note 6(a))	-	-

## Notes to the financial statements

at 30 June 2011

### 7. Tangible fixed assets

	<i>Fixtures, fittings and equipment £</i>
Cost	
At 30 June 2010	27,690
Additions	11,318
At 30 June 2011	<b>39,008</b>
Depreciation	
At 30 June 2010	21,656
Charge for the year	6,380
At 30 June 2011	<b>28,036</b>
Net book value	
At 30 June 2011	<b>10,972</b>
At 30 June 2010	<b>6,034</b>

### 8. Intangible fixed assets

	<i>Software development content £</i>	<i>Software development platform £</i>	<i>Software acquisition costs £</i>	<i>Total £</i>
Cost or valuation				
At 1 July 2010	1,534,066	746,937	228,965	2,509,968
Additions	100,188	-	21,708	121,896
At 30 June 2011	<b>1,634,254</b>	<b>746,937</b>	<b>250,673</b>	<b>2,631,864</b>
Depreciation				
At 1 July 2010	1,208,160	568,315	-	1,776,475
Charge for the year	210,035	111,407	79,940	401,382
At 30 June 2011	<b>1,418,195</b>	<b>679,722</b>	<b>79,940</b>	<b>2,177,857</b>
Net book value				
At 30 June 2011	<b>216,058</b>	<b>67,215</b>	<b>170,733</b>	<b>454,007</b>
At 30 June 2010	<b>325,906</b>	<b>178,622</b>	<b>228,965</b>	<b>733,493</b>



## Notes to the financial statements

at 30 June 2011

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

	2011 £	2010 £
Trade debtors	1,697,845	699,540
Amounts owed by group undertakings	1,145,582	1,143,073
Deferred tax asset	13,732	16,657
Prepayments and accrued income	24,960	17,457
	<u>2,882,119</u>	<u>1,876,727</u>

The amount owed by group undertakings represents a current account with SAI Global Assurance Services Limited and Easy Inc. There are no set repayment terms and these are not interest bearing and have no securities.

Deferred tax movement

	£
At 30 June 2010	16,657
Profit and loss account (note 6)	(2,925)
At 30 June 2011	<u>13,732</u>

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

	2011 £	2010 £
Bank overdraft	-	37,699
Trade creditors	231,743	88,155
Amounts owed to group undertakings	2,291,955	1,940,960
Other taxes and social security	96,929	37,251
Other creditors	37,329	30,224
Accruals and deferred income	1,208,498	1,050,364
	<u>3,866,454</u>	<u>3,184,653</u>

The amount owed to group undertakings represents a current account with multiple group companies. There are no set repayment terms and these are not interest bearing and have no securities.

## Notes to the financial statements

at 30 June 2011

### 11. Issued share capital

		2011		2010
<i>Allotted, called up and fully paid</i>	<i>No</i>	<i>£</i>	<i>No</i>	<i>£</i>
Ordinary shares of £0.001 each	103	103	103	103

### 12. Share premium account

	2011	2010
	<i>£</i>	<i>£</i>
Share premium	24,997	24,997

### 13. Reserves

	<i>£</i>
At 30 June 2010	(505,293)
Profit for the year	78,515
At 30 June 2011	(426,778)
£220,671 (2010 – £220,671) of reserves are not available for distribution	

### 14. Reconciliation of shareholders' funds and movements on reserves

	2011	2010
	<i>£</i>	<i>£</i>
Profit/(loss) for the year and net increase/(decrease) in shareholders' funds	78,515	(516,410)
Opening total shareholders' (deficit)/ funds	(480,193)	36,217
Closing total shareholders' deficit	(401,678)	(480,193)

### 15. Other financial commitments

At 30 June 2011 the company had annual commitments under non-cancellable operating leases as set out below

	2011		2010	
	<i>Land and buildings</i>	<i>Other</i>	<i>Land and buildings</i>	<i>Other</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
Operating leases which expire				
Within one year	8,171	-	-	-
Within two to five years	-	2,272	23,300	757
	8,171	2,272	23,300	757

## Notes to the financial statements

at 30 June 2011

### 16. Capital commitments

The company had no capital commitments at 30 June 2011 (2010 – £nil)

### 17. Contingent liabilities

The company had no contingent liabilities at 30 June 2011 (2010 – £nil)

### 18. Related party transactions

As a wholly owned Subsidiary of the SAI Global Limited group, the company is exempt from the requirements of FRS 8 to disclose transactions with other members of the group headed by SAI Global Limited

### 19. Ultimate parent undertaking and controlling party

The immediate parent undertaking of the Company is SAI Global CIS UK Limited. Copies of the parent company's financial statements may be obtained from Partis House, Davey Avenue, Milton Keynes, MK1 9ES, United Kingdom

The smallest and largest group into which the results of the company are consolidated is that headed by SAI Global Limited, a company incorporated in Australia

The ultimate controlling party is SAI Global Limited by virtue of its 100% interest in the parent company. Copies of SAI Global Limited's financial statements may be obtained from its website at [www.saiglobal.com](http://www.saiglobal.com)