

Company Registration No. 03671073

XPERTISE TRAINING LIMITED

Report and Financial Statements

28 May 2010

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XPERTISE TRAINING LIMITED

REPORT AND FINANCIAL STATEMENTS 2010

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XPERTISE TRAINING LIMITED

REPORT AND FINANCIAL STATEMENTS 2010

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

I P Johnson
W R G Macpherson

REGISTERED OFFICE

Islington House
Brown Lane West
Leeds
West Yorkshire
LS12 6BD

SOLICITORS

EMW Picton Howell LLP
Seebeck House
One Seebeck Place
Knowlhill
Milton Keynes
MK5 8FR

AUDITORS

Deloitte LLP
Chartered Accountants and Statutory Auditors
Cambridge

XPERTISE TRAINING LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the 52 weeks ended 28 May 2010

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The company's principal business activity until 31 December 2008 was the provision of IT training and consultancy services. On 31 December 2008, the company transferred the business to QA Limited at book value and the directors expect the company to remain non trading for the foreseeable future.

The directors have therefore prepared the financial statements on the basis that the company is no longer a going concern (see note 1).

KEY PERFORMANCE INDICATORS

The company regarded the following as key performance indicators whilst it traded

	52 weeks ended	17 months ended
	28 May	29 May
	2010	2009
Turnover	-	£23.4m
Gross profit	-	£8.9m
Operating profit before goodwill amortisation	-	£0.9m
Headcount (average during the period of trading)	-	124

RESULTS AND DIVIDENDS

The profit on ordinary activities after taxation for the financial period amounted to £1,002 (17 months ended 29 May 2009 - loss of £926,011). The directors do not recommend the payment of a dividend (17 months ended 29 May 2009 - £nil).

DIRECTORS

The directors who served during the period and to the date of this report were

I P Johnson
W R G Macpherson

DIRECTORS' INDEMNITIES

The company made qualifying third party indemnity provisions for the benefit of its directors and officers during the prior year and these remain in force at the date of this report.

PRINCIPAL RISKS AND UNCERTAINTIES

Up to the date of transfer of the business to QA Limited, the company operated in a competitive market and had a number of key competitors.

The company managed this risk by providing competitively priced, high quality, flexible learning solutions and maintaining strong relationships with its customers.

XPERTISE TRAINING LIMITED

DIRECTORS' REPORT

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Up to the date of transfer of the business to QA Limited, the company's activities exposed it to a number of financial risks including price risk, credit risk, cash flow risk and liquidity risk. The company did not use derivative financial instruments for speculative purposes.

Cash flow risk

The company's activities did not expose it to significant financial risk of changes in foreign currency exchange rates. The company did not therefore use any financial instruments to hedge against these risks.

Credit risk

The company's principal financial assets were bank balances and trade debtors.

The company's credit risk was primarily attributable to its trade debtors. The amounts presented in the balance sheet to the date of transfer were net of provision for doubtful debts. A provision was made where there was evidence of the possibility of not being able to recover the debt.

The credit risk on liquid funds was limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The company had no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

Liquidity risk

In order to maintain liquidity and to ensure that sufficient funds are available for ongoing operations and future developments, the company operated within a group treasury function, features of which include intercompany cash transfers and management of finance lease contracts.

Price risk

The company was exposed to limited price risk and historically market prices have shown a high level of stability.

AUDITORS

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

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- the director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditors are 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 continue in office as auditors and a resolution to reappoint them as auditors will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board



I P Johnson

Director

XPERTISE TRAINING 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 judgements 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 AUDITORS' REPORT TO THE MEMBERS OF XPERTISE TRAINING LIMITED

We have audited the financial statements of Xpertise Training Limited for the 52 weeks ended 28 May 2010 which comprise the profit and loss account, the balance sheet and the related notes 1 to 16. 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 16 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 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

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 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 (APB'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.

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 28 May 2010 and of its profit for the 52 weeks 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.

Emphasis of matter - Financial statements prepared on a basis other than that of a going concern

In forming our opinion, on the financial statements, which is not qualified, we have considered the adequacy of the disclosure made in note 1 to the financial statements, which explains that the financial statements have been prepared on a basis other than that of a going concern.

Opinion on other matter prescribed by the Companies Act 2006

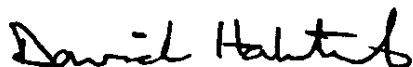
In our opinion the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
XPERTISE TRAINING LIMITED (continued)**

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



David Halstead FCA (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditors
Cambridge, United Kingdom

30 September 2010

XPERTISE TRAINING LIMITED

PROFIT AND LOSS ACCOUNT

52 weeks ended 28 May 2010

	Note	52 weeks ended 28 May 2010 £	17 months ended 29 May 2009 £
TURNOVER	2	-	23,889,387
Cost of sales		-	(14,911,631)
GROSS PROFIT		-	8,977,756
Administrative expenses		-	(8,463,593)
Other operating income		1,002	-
OPERATING PROFIT	3	1,002	514,163
Amounts written off investments		-	(880,994)
Interest receivable and other income	4	-	101,645
Interest payable and similar charges	5	-	(110,254)
PROFIT (LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		1,002	(375,440)
Tax on profit (loss) on ordinary activities	8	-	(550,571)
PROFIT (LOSS) FOR THE FINANCIAL PERIOD	13	1,002	(926,011)

All activities derive from discontinued operations following the transfer of the trade and assets to QA Limited on 31 December 2008

There are no recognised gains and losses other than the profit for the current financial period and the loss for the preceding financial year. Accordingly, no statement of total recognised gains and losses is given

XPERTISE TRAINING LIMITED

BALANCE SHEET 28 May 2010

	Note	28 May 2010 £	29 May 2009 £
FIXED ASSETS			
Investments	9	-	-
CURRENT ASSETS			
Debtors	10	2,978,981	2,978,981
CREDITORS: amounts falling due within one year	11	(6,580,385)	(6,581,387)
NET LIABILITIES		<u>(3,601,404)</u>	<u>(3,602,406)</u>
CAPITAL AND RESERVES			
Called up share capital	12	1	1
Profit and loss account	13	<u>(3,601,405)</u>	<u>(3,602,407)</u>
SHAREHOLDERS' FUNDS	14	<u>(3,601,404)</u>	<u>(3,602,406)</u>

The financial statements of Xpertise Training Limited, registered number 03671073, were approved by the Board of Directors and authorised for issue on 30 September 2010

Signed on behalf of the Board of Directors by



I P Johnson
Director

XPERTISE TRAINING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

52 weeks ended 28 May 2010

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted, which have been applied consistently throughout the period and preceding period, are described below.

Accounting convention

The financial statements have been prepared under the historical cost convention.

Basis of preparation

The company transferred its trade, assets and liabilities to a fellow group undertaking on 31 December 2008 and has ceased trading. As required by FRS 18 'Accounting Policies', the directors have prepared the financial statements on the basis that the company is no longer a going concern. No material adjustments arose as a result of ceasing to apply the going concern basis. All assets and liabilities were transferred to the fellow group undertaking at their book value.

Consolidation

As permitted by s400 of the Companies Act 2006, the company has not prepared consolidated accounts as it is a subsidiary of QA-IQ Holdings Limited, a company registered in England and Wales. The accounts therefore present information about the company as an individual undertaking and not about its group.

Cash flow statement

As permitted by Financial Reporting Standard No. 1 (Revised), "Cash Flow Statements", the company has not included a cash flow statement as part of its financial statements because the consolidated financial statements of the ultimate parent company, QA-IQ Holdings Limited (of which the company is a subsidiary) are publicly available.

Turnover and revenue recognition

Turnover represents amounts receivable for goods and services provided in the normal course of business together with non-refundable fees, exclusive of value added tax.

Training revenue is recognised upon the delivery of training. Where training is contracted in advance of delivery, revenue is deferred and released to the profit and loss account as delivery occurs. Where training is not expected to be delivered on certain contracts, the company recognises the revenue rateably over the term of the contract. The residual amount is included within deferred income and will be recognised within the next 12 months.

Leased assets

Rentals payable under operating leases are charged to the profit and loss account evenly over the lease term.

Investments

Investments are recorded at cost, less any provisions for impairment.

Taxation

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

Deferred tax is provided in full on timing differences, which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

XPERTISE TRAINING LIMITED

NOTES TO THE FINANCIAL STATEMENTS 52 weeks ended 28 May 2010

1. ACCOUNTING POLICIES (continued)

Foreign exchange

Transactions denominated in foreign currencies are translated into sterling at the rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the rates ruling at that date. Translation differences arising are dealt with in the profit and loss account.

Pension arrangements

The company operated defined contribution pension schemes until 31 December 2008 when the trade and assets were transferred to QA Limited (formerly QA-IQ Limited). The assets of the schemes were held separately from those of the company in independently administered funds.

Goodwill

Goodwill arising on the acquisition of businesses, representing any excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired, is capitalised and written off on a straight line basis over its useful economic life, which is 20 years. Provision is made for any impairment.

Tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Short-term leasehold improvements	Straight line over the life of the lease
Fixtures, fittings and equipment	2 to 5 years straight line

2. TURNOVER

All turnover was derived from sales made within the United Kingdom.

Turnover by class of business has not been disclosed as in the opinion of the directors, such disclosures would be seriously prejudicial to the company.

3. OPERATING PROFIT

	52 weeks ended 28 May 2010	17 months ended 29 May 2009
	£	£
Operating profit is after charging:		
Amortisation of goodwill	-	355,518
Depreciation of tangible fixed assets	-	262,279
Operating lease rentals		
Plant and machinery	-	33,428
Other	-	627,784
Exceptional item - onerous lease charge	-	621,615
Management charge from parent undertaking	-	500,000

The auditors' remuneration for audit services amounted to £250 (17 months ended 29 May 2009 - £10,000) and in both periods was borne by another group undertaking.

There were no non-audit fees in either the current or preceding periods.

XPERTISE TRAINING LIMITED

NOTES TO THE FINANCIAL STATEMENTS 52 weeks ended 28 May 2010

4. INTEREST RECEIVABLE AND SIMILAR INCOME

	52 weeks ended 28 May 2010 £	17 months ended 29 May 2009 £
Bank interest receivable	-	101,645

5. INTEREST PAYABLE AND SIMILAR CHARGES

	52 weeks ended 28 May 2010 £	17 months ended 29 May 2009 £
Bank interest payable	-	31,501
Unwinding of discount on provision	-	78,753
	-	110,254

6. DIRECTORS' EMOLUMENTS

The directors did not receive any remuneration for their services to Xpertise Training Limited during either the current or preceding financial periods

7. INFORMATION REGARDING EMPLOYEES

	52 weeks ended 28 May 2010 £	17 months ended 29 May 2009 £
The average number of persons employed by the company during the period to the date that trade was transferred to QA Limited is analysed below.		
Learning services, sales and administration	-	124
Company employment costs of all employees included above:		
Gross wages and salaries	-	5,502,723
Social security costs	-	637,045
Other pension costs	-	93,606
	-	6,233,374

XPERTISE TRAINING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

52 weeks ended 28 May 2010

8 TAX ON PROFIT (LOSS) ON ORDINARY ACTIVITIES

a) Analysis of charge in period

	52 weeks ended 28 May 2010 £	17 months ended 29 May 2009 £
Current tax		
Adjustment in respect of prior periods	-	(1)
Deferred tax		
Adjustment in respect of prior periods	-	550,572
Tax on profit (loss) on ordinary activities	-	550,571

The profit (loss) on ordinary activities at the standard UK corporation tax rate of 28% (17 months ended 29 May 2009 - 28%) reconciles to the current tax charge as follows

	52 weeks ended 28 May 2010 £	17 months ended 29 May 2009 £
Profit (loss) on ordinary activities before taxation	1,002	(375,440)
Tax on profit (loss) on ordinary activities at standard rate	281	(105,123)
Factors affecting credit for the period		
Expenses not deductible for tax purposes	-	331,906
Depreciation for the period in excess of capital allowances	-	9,648
Tax losses utilised	-	(207,971)
Group relief surrendered for nil consideration	-	(28,460)
Adjustment in respect of prior periods	-	(1)
Non taxable income	(281)	-
Total current tax	-	(1)

There are no recognised or unrecognised deferred tax asset or liabilities (29 May 2009 - £nil)

XPERTISE TRAINING LIMITED

NOTES TO THE FINANCIAL STATEMENTS 52 weeks ended 28 May 2010

9. INVESTMENTS HELD AS FIXED ASSETS

	Shares in subsidiary undertakings £
Cost	
At 30 May 2009	880,994
Disposals on liquidation	(850,099)
At 28 May 2010	30,895
Provision for impairment	
At 30 May 2009	880,994
Disposals on liquidation	(850,099)
At 28 May 2010	30,895
Net book value	
At 29 May 2009 and 28 May 2010	-
At	-

In May 2010, Expertise Group Limited, Expertise Training Limited, Xenon Training Limited and Xenon (NE) Training Limited were liquidated

As at 28 May 2010, the company had investments in the following subsidiary undertaking

Name of undertaking	Country of incorporation	Principal activity at period end	Class of holding	%
Watermans People & Organisational Development Limited	England and Wales	Non-trading	Ordinary	100%

10. DEBTORS

	28 May 2010 £	29 May 2009 £
Amounts owed from parent and group undertakings	2,978,981	2,978,981

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	28 May 2010 £	29 May 2009 £
Amounts owed to parent and fellow group undertakings	6,580,385	6,581,387

XPERTISE TRAINING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

52 weeks ended 28 May 2010

12. CALLED UP SHARE CAPITAL

	28 May 2010 £	29 May 2009 £
Called up, allotted and fully paid 1 ordinary share of £1	<u>1</u>	<u>1</u>

13. PROFIT AND LOSS ACCOUNT

	£
At 30 May 2009	(3,602,407)
Profit for the financial period	<u>1,002</u>
At 28 May 2010	<u>(3,601,405)</u>

14. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' DEFICIT

	52 weeks ended 28 May 2010 £	17 months ended 29 May 2009 £
Profit (loss) for the financial period	<u>1,002</u>	<u>(926,011)</u>
Net addition to (reduction in) shareholders' funds	1,002	(926,011)
Opening shareholders' deficit	<u>(3,602,406)</u>	<u>(2,676,395)</u>
Closing shareholders' deficit	<u>(3,601,404)</u>	<u>(3,602,406)</u>

15. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption included in Financial Reporting Standard 8 "Related Party Disclosures" for wholly owned subsidiaries not to disclose transactions with entities that are part of the group qualifying as related parties

16. ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

The directors regard QA-IQ Holdings Limited as the ultimate holding company and Xpertise Group Limited as the immediate parent company. Both companies are registered in England and Wales.

The directors regard Encap Lux QaIQ S à r l, a company registered in Luxemburg, through its 67% voting rights of QA-IQ Holdings Limited as the ultimate controlling party.

The smallest and largest group in which the results of the company are consolidated for the period ended 28 May 2010 is that headed by QA-IQ Holdings Limited. Copies of the consolidated accounts of QA-IQ Holdings Limited which include the results of the company can be obtained from Companies House, Crown Way, Mandy, Cardiff, CF14 3UZ.