

Company Registration No. 05015443 (England and Wales)

SEDEX INFORMATION EXCHANGE LIMITED
ANNUAL REPORT
FOR THE YEAR ENDED 31 AUGUST 2015

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COMPANIES HOUSE

SEDEX INFORMATION EXCHANGE LIMITED

DIRECTORS AND ADVISERS

Directors

C Start
L.C Nicholls
N Pendleton
E Viswanathan
A Hansen
G Padelopoulos
G Bolton
D J Lawrence
S Hill (Appointed 26 June 2015)
J Ivelaw- Chapman (Appointed 26 June 2015)
N Hirdaramani (Appointed 26 June 2015)
M Aktaruzzaman (Appointed 26 June 2015)
A Aswani (Appointed 26 June 2015)

Company number

05015443

Registered office

5th Floor
24 Southwark Bridge Road
London
SE1 9HF

Registered auditors

Goodman Jones LLP.
29-30 Fitzroy Square
London
W1T 6LQ

SEDEX INFORMATION EXCHANGE LIMITED

CONTENTS

	Page
Directors' report	1 - 2
Consolidated income and expenditure account	3
Statement of recognised gains and losses	4
Balance sheets	5
Notes to the financial statements	6 - 15

SEDEX INFORMATION EXCHANGE LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2015

The directors present their report and financial statements for the year ended 31 August 2015.

Principal activities and review of the business

The principal activity of the company continued to be that of the provision of a business information exchange platform accessed via the internet. The platform's purpose is to provide members with transparency of their supply chains and to support their own ethical trade programmes.

Financial Results

The results of the Sedex Information Exchange Group for the year ended 31 August 2015 show a surplus before taxation of £169,000, a decrease of 39% compared to the previous year's surplus before tax of £276,000.

Group turnover for the year increased 11% from £5,402,000 to £5,973,000 reflecting in part a membership price increase and further expansion of membership business across all categories. The professional consultancy business generated by Sedex Solutions made a loss of £156,000 and China contributed a further £109,000 in local training and consultancy services.

Direct operating costs decreased 14% from £1,998,000 in 2014 to £1,725,000 in the current year, due mostly to decreases in contracted fees payable to Enablon, the main IT provider to Sedex Information Exchange Limited.

Administrative costs increased 30% to £4,080,000 (2014: £3,129,000) due mostly to increases in staffing levels in Sedex Solutions as it continues to expand its business, and some further increases in professional consultancy services.

The holding company is a not-for-profit organisation and is treated as a mutual for taxation purposes, and only pays tax on its bank interest received gross. However, Sedex Solutions Limited is a taxable entity and subject to UK corporation tax, and Sedex Information Exchange (Shanghai) Limited is subject to local taxes in China on its activities. The total Group tax charge amounts to £69,000.

The surplus after tax for the year to 31 August 2015 of £100,000 has been added to Members' Funds, which now stand at £966,000.

Directors

The following directors have held office since 1 September 2014:

C Start	
A Kariwala	(Resigned 26 June 2015)
L.C Nicholls	
N Pendleton	
E Viswanathan	
A Hansen	
G Padelopoulos	
C Giblin	(Resigned 31 January 2015)
G Bolton	
R Falkner	(Resigned 26 June 2015)
D J Lawrence	
S Hill	(Appointed 26 June 2015)
J Ivelaw- Chapman	(Appointed 26 June 2015)
N Hirdaramani	(Appointed 26 June 2015)
M Aktaruzzaman	(Appointed 26 June 2015)
A Aswani	(Appointed 26 June 2015)

SEDEX INFORMATION EXCHANGE LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' 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 group and of the profit or loss of the group 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;
- 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 group 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 the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report has been prepared in accordance with the special provisions relating to small companies within part 15 of the Companies Act 2006.

On behalf of the board



C Start
Director
22.11.2016

SEDEX INFORMATION EXCHANGE LIMITED

CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2015

	Notes	2015 £	2014 £
Turnover		5,973,049	5,402,272
Cost of sales		(1,724,652)	(1,998,312)
Gross surplus		4,248,397	3,403,960
Administrative expenses		(4,079,813)	(3,128,455)
Operating surplus	2	168,584	275,505
Other interest receivable and similar income		117	-
Surplus on ordinary activities before taxation	2	168,701	275,505
Tax on surplus on ordinary activities	3	(68,605)	(32,794)
Surplus on ordinary activities after taxation		100,096	242,711

The income and expenditure account has been prepared on the basis that all operations are continuing operations.

SEDEX INFORMATION EXCHANGE LIMITED

STATEMENT OF RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31 AUGUST 2015

	2015 £	2014 £
Profit for the financial year	100,096	242,711
Currency translation differences on foreign currency net investments	5,063	-
Total recognised gains and losses relating to the year	<u>105,159</u>	<u>242,711</u>

SEDEX INFORMATION EXCHANGE LIMITED

BALANCE SHEETS

AS AT 31 AUGUST 2015

	Notes	Group 2015 £	2014 £	Company 2015 £	2014 £
Fixed assets					
Intangible assets	5	1,162,947	-	-	-
Tangible assets	6	246,069	760,931	72,745	491,479
Investments	7	-	-	104,371	104,371
		<u>1,409,016</u>	<u>760,931</u>	<u>177,116</u>	<u>595,850</u>
Current assets					
Debtors	8	873,082	916,736	1,901,075	1,030,823
Cash at bank and in hand		246,207	833,119	34,616	566,657
		<u>1,119,289</u>	<u>1,749,855</u>	<u>1,935,691</u>	<u>1,597,480</u>
Creditors: amounts falling due within one year	9	(1,561,946)	(1,649,586)	(1,411,382)	(1,558,196)
Net current (liabilities)/assets		<u>(442,657)</u>	<u>100,269</u>	<u>524,309</u>	<u>39,284</u>
Total assets less current liabilities		<u>966,359</u>	<u>861,200</u>	<u>701,425</u>	<u>635,134</u>
Members' funds					
Reserves	11	966,359	861,200	701,425	635,134
Members' funds	12	<u>966,359</u>	<u>861,200</u>	<u>701,425</u>	<u>635,134</u>

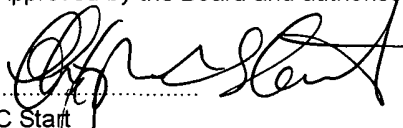
For the financial year ended 31 August 2015 the company was entitled to exemption from audit under section 477 of the Companies Act 2006.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

Approved by the Board and authorised for issue on 22/11/2016


C Start
Director

Company Registration No. 05015443

SEDEX INFORMATION EXCHANGE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2015

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

The profit and loss account is in the form of an income and expenditure account as this more accurately reflects the nature and activities of the company, which is a not for profit mutual undertaking.

1.3 Basis of consolidation

The consolidated income and expenditure account and balance sheet include the financial statements of the company and its subsidiary undertakings made up to 31 August 2015. The results of subsidiaries sold or acquired are included in the profit and loss account up to, or from the date control passes. Intra-group sales and profits are eliminated fully on consolidation.

1.4 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.5 Research and development

Research expenditure is written off to the profit and loss account in the year in which it is incurred. Development expenditure is written off in the same way unless the directors are satisfied as to the technical, commercial and financial viability of individual projects. In this situation, the expenditure is deferred and amortised over the period during which the company is expected to benefit.

1.6 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. During the year, the useful economic life and method of depreciation of the tangible fixed assets was reassessed, and the financial effect of the change in useful economic life and also change in depreciation method is an additional depreciation charged in the year of £141,670. 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:

Computer systems & software	between 3 and 5 years straight line basis
Fixtures, fittings & equipment	between 3 and 5 years straight line basis

1.7 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.8 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.9 Pensions

The Group operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

SEDEX INFORMATION EXCHANGE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

1 Accounting policies

(Continued)

1.10 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

1.11 Restatement of comparatives

The comparative figures for the profit and loss have been restated adjusting for the classification of expenditure.

2 Operating profit

	2015 £	2014 £
Operating profit is stated after charging:		
Depreciation of tangible assets	554,989	365,189
Loss on foreign exchange transactions	1,393	2,363
Operating lease rentals	77,885	77,885
and after crediting:		
Profit on foreign exchange transactions	(1,473)	-

SEDEX INFORMATION EXCHANGE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

3	Taxation	2015 £	2014 £
	Domestic current year tax		
	Adjustment for prior years	-	(18,092)
	Foreign corporation tax		
	Other foreign tax	68,605	50,886
	Total current tax	68,605	32,794
		68,605	32,794
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	168,701	275,505
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 20% (2014 - 20%)	33,740	55,101
	Effects of:		
	Non deductible expenses	29	-
	Depreciation add back	2,195	1,282
	Capital allowances	(510)	(50,622)
	Tax losses utilised	-	24,987
	Foreign tax adjustments	33,060	50,886
	Mutual income	(13,258)	(53,132)
	Tax losses carried forward	13,349	-
	Other tax adjustments	-	4,292
		34,865	(22,307)
	Current tax charge for the year	68,605	32,794

4 Surplus for the financial year

As permitted by section 408 Companies Act 2006, the holding company's surplus/deficit has not been included in these financial statements. The surplus for the financial year is made up as follows:

	2015 £	2014 £
Holding company's surplus for the financial year	66,291	71,852

SEDEX INFORMATION EXCHANGE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

5 Intangible fixed assets Group

	Development Costs £
Cost	
At 1 September 2014	-
Additions	1,162,947
At 31 August 2015	1,162,947
Net book value	
At 31 August 2015	1,162,947
At 31 August 2014	-

6 Tangible fixed assets Group

	Computer systems & software £	Fixtures, fittings & equipment £	Total £
Cost			
At 1 September 2014	1,857,734	287,228	2,144,962
Additions	7,500	36,391	43,891
Disposals	(3,764)	-	(3,764)
At 31 August 2015	1,861,470	323,619	2,185,089
Depreciation			
At 1 September 2014	1,182,527	201,504	1,384,031
Charge for the year	462,856	92,133	554,989
At 31 August 2015	1,645,383	293,637	1,939,020
Net book value			
At 31 August 2015	216,087	29,982	246,069
At 31 August 2014	675,207	85,724	760,931

SEDEX INFORMATION EXCHANGE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

6 Tangible fixed assets

(Continued)

Tangible fixed assets

Company

	Computer systems & software £	Fixtures, fittings & equipment £	Total £
Cost			
At 1 September 2014	1,585,455	280,571	1,866,026
Additions	7,500	35,684	43,184
At 31 August 2015	1,592,955	316,255	1,909,210
Depreciation			
At 1 September 2014	1,175,114	199,433	1,374,547
Charge for the year	371,599	90,319	461,918
At 31 August 2015	1,546,713	289,752	1,836,465
Net book value			
At 31 August 2015	46,242	26,503	72,745
At 31 August 2014	410,341	81,138	491,479

7 Fixed asset investments

Company

	Shares in group undertakings £
Cost	
At 1 September 2014 & at 31 August 2015	104,371
Net book value	
At 31 August 2015	104,371
At 31 August 2014	104,371

In the opinion of the directors, the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet.

SEDEX INFORMATION EXCHANGE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

7 Fixed asset investments

(Continued)

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Shares held	
		Class	%
Subsidiary undertakings			
Sedex Solutions Limited	United Kingdom	Ordinary	100
Sedex Information Exchange (Shanghai) Limited	China	Ordinary	100

The principal activity of these undertakings for the last relevant financial year was as follows:

	Principal activity
Sedex Solutions Limited	See below
Sedex Information Exchange (Shanghai) Limited	See below

The principal activity of Sedex Solutions Limited is the provision of professional consultancy services to the membership organisations of Sedex Information Exchange Limited.

These consultancy services include the training of members' management and staff, "on-boarding" of members' suppliers (i.e. assisting member organisations in encouraging their suppliers to upload the required data onto Sedex system), management of member' audit services, data cleansing services and the provision of data analysis and reporting, not readily available on the Sedex system.

The main business scope of Sedex Information Exchange (Shanghai) Limited includes business information consulting and business administration consulting in Southeast Asia.

8 Debtors

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Trade debtors	729,771	793,378	681,582	959,273
Amounts owed by group undertakings	-	-	1,121,168	-
Corporation tax	-	18,092	-	-
Other debtors	94,666	92,400	63,847	58,750
Prepayments and accrued income	48,645	12,866	34,478	12,800
	<u>873,082</u>	<u>916,736</u>	<u>1,901,075</u>	<u>1,030,823</u>

SEDEX INFORMATION EXCHANGE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

9 Creditors : amounts falling due within one year

	Group 2015 £	2014 £	Company 2015 £	2014 £
Trade creditors	198,095	150,428	191,906	122,639
Amounts owed to group undertakings	-	-	-	355
Taxes and social security costs	65,464	84,626	44,352	75,509
Other creditors	1,298,387	1,414,532	1,175,124	1,359,693
	<u>1,561,946</u>	<u>1,649,586</u>	<u>1,411,382</u>	<u>1,558,196</u>

10 Retirement Benefits

Contributions payable by the group for the year	<u>36,097</u>	<u>31,996</u>
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11 Statement of movements on reserves Group

	Income and expenditure account £
Balance at 1 September 2014	861,200
Surplus for the year	100,096
Foreign currency translation differences	5,063
Balance at 31 August 2015	<u>966,359</u>

Company

	Income and expenditure account £
Balance at 1 September 2014	635,134
Surplus for the year	66,291
Balance at 31 August 2015	<u>701,425</u>

SEDEX INFORMATION EXCHANGE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

12	Reconciliation of movements in members' funds	2015	2014
	Group	£	£
	Surplus for the financial year	100,096	242,711
	Other recognised gains and losses	5,063	-
		<hr/>	<hr/>
	Net addition to members' funds	105,159	242,711
	Opening members' funds	861,200	618,489
		<hr/>	<hr/>
	Closing members' funds	966,359	861,200
		<hr/>	<hr/>
		2015	2014
	Company	£	£
	Surplus/(deficit) for the financial year	66,291	71,852
	Opening members' funds	635,134	563,282
		<hr/>	<hr/>
	Closing members' funds	701,425	635,134
		<hr/>	<hr/>

SEDEX INFORMATION EXCHANGE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

13 Financial commitments

At 31 August 2015 the group had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2015	2014	2015	2014
	£	£	£	£
Expiry date:				
Within one year	29,828	-	-	-
Between two and five years	-	91,983	-	-
In over five years	-	-	1,250,000	-
	<u>29,828</u>	<u>91,983</u>	<u>1,250,000</u>	<u>-</u>

At 31 August 2015 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2015	2014	2015	2014
	£	£	£	£
Expiry date:				
Within one year	29,828	-	-	-
Between two and five years	-	91,983	-	-
In over five years	-	-	1,250,000	-
	<u>29,828</u>	<u>91,983</u>	<u>1,250,000</u>	<u>-</u>

14 Directors' remuneration

	2015	2014
	£	£
Remuneration for qualifying services	<u>71,884</u>	<u>114,450</u>

15 Transactions with directors

Consultancy fees of £81,563 (2014: £76,930) and expenses totalling £9,427 (2014: £6,372) were paid to Start Development BVBA, a company controlled by C. Start.

Consultancy fees of £54,217 (2014: £18,772) were paid to Sokwe Consulting Ltd, a company controlled by D. Lawrence. Consultancy fees of £94,577 (2014: £nil) were paid to J & E Ivelaw Chapman, a company controlled by J Ivelaw Chapman.

Professional fees of £7,011 (2014: £6,023) were paid to Lordship Consultants Ltd, a company controlled by R. Falkner.

Consultancy fees of £2,850 and professional fees of £26,907 (2014: £nil) were paid to Shilco Ltd, a company controlled by S. Hill.

SEDEX INFORMATION EXCHANGE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) ***FOR THE YEAR ENDED 31 AUGUST 2015***

16 Control

The company is controlled by its members.