

Company Registration No. 05091695

QA-IQ GROUP LIMITED

Report and Financial Statements

27 May 2011

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QA-IQ GROUP LIMITED

REPORT AND FINANCIAL STATEMENTS 2011

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QA-IQ GROUP LIMITED

REPORT AND FINANCIAL STATEMENTS 2011

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

I P Johnson
W R G Macpherson
H D M Thomas

REGISTERED OFFICE

Rath House
55-65 Uxbridge Road
Slough
Berkshire
SL1 1SG

SOLICITORS

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

AUDITOR

Deloitte LLP
Chartered Accountants and Statutory Auditor
Cambridge

QA-IQ GROUP LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the 52 weeks ended 27 May 2011

The directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption

PRINCIPAL ACTIVITY AND BUSINESS REVIEW

The company acts as an intermediate holding company within the QA-IQ Holdings Limited group. The directors do not expect this activity to change in the foreseeable future.

RESULTS AND DIVIDENDS

The company's loss for the financial period was £473,960 (52 weeks ended 28 May 2010 - £84,519)

DIVIDENDS

The directors do not recommend the payment of a dividend for the period (52 weeks ended 28 May 2010 - £nil)

DIRECTORS

The directors who served throughout the period were as follows

I P Johnson
W R G Macpherson
H D M Thomas

DIRECTORS' INDEMNITIES

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

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.

QA-IQ GROUP LIMITED

DIRECTORS' REPORT

AUDITOR

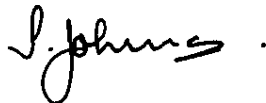
In the case of each of the persons who are directors of the company at the date when this report is approved

- so far as each of the directors is aware, there is no relevant audit information of which the company's auditor is unaware, and
- each of the directors has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information (as defined) 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 has expressed their willingness to continue in office as auditor and a resolution to reappoint them 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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF QA-IQ GROUP LIMITED

We have audited the financial statements of QA-IQ Group Limited for the 52 weeks ended 27 May 2011 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 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 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 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.

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 27 May 2011 and of its loss 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.

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 AUDITOR'S REPORT TO THE MEMBERS OF QA-IQ GROUP 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, or
- directors were not entitled to take advantage of the small companies exemption in preparing the directors' report

David Halstead

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

26 September 2011

QA-IQ GROUP LIMITED

PROFIT AND LOSS ACCOUNT

52 weeks ended 27 May 2011

	Note	52 weeks ended 27 May 2011 £	52 weeks ended 28 May 2010 £
Interest receivable and similar income	4	62,083	47,273
Interest payable and similar charges	5	(536,043)	(585,154)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(473,960)	(537,881)
Tax on loss on ordinary activities	6	-	453,362
LOSS FOR THE FINANCIAL PERIOD	12	(473,960)	(84,519)

All activities derive from continuing operations

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

QA-IQ GROUP LIMITED

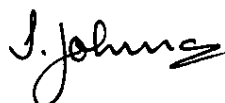
BALANCE SHEET

27 May 2011

	Note	27 May 2011 £	28 May 2010 £
FIXED ASSETS			
Investments	7	14,673,817	14,670,930
CURRENT ASSETS			
Debtors - prepayments		8,900	20,042
Cash at bank and in hand		7,572,441	5,025,300
		7,581,341	5,045,342
CREDITORS: amounts falling due within one year	8	(20,129,506)	(15,596,689)
NET CURRENT LIABILITIES		(12,548,165)	(10,551,347)
TOTAL ASSETS LESS CURRENT LIABILITIES		2,125,652	4,119,583
CREDITORS: amounts falling due after more than one year	9	(4,984,431)	(6,504,402)
NET LIABILITIES		(2,858,779)	(2,384,819)
CAPITAL AND RESERVES			
Called up share capital	11	160,046	160,046
Share premium account	12	3,517,545	3,517,545
Profit and loss account	12	(6,536,370)	(6,062,410)
SHAREHOLDERS' DEFICIT	13	(2,858,779)	(2,384,819)

The financial statements of QA-IQ Group Limited, registered number 5091695, were approved by the Board of Directors and authorised for issue on 30 September 2010

They were signed on its behalf by



I P Johnson

Director

NOTES TO THE FINANCIAL STATEMENTS
52 weeks ended 27 May 2011

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 are prepared under the historical cost convention.

Going concern

The directors have prepared the financial statements on the going concern basis. In making this assessment, the directors have considered the liabilities of the company and the date at which they fall due. The principal liability of the company is in relation to the bank loans for which the facility is repayable under a cross guarantee intra group arrangement with other entities within the QA-IQ Holdings group. The directors, who are also directors of QA-IQ Holdings Limited, consider that the group is able to meet the bank loan repayments as they fall due. Therefore the directors of the company consider that the going concern basis of preparation remains appropriate.

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.

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.

Investments

Investments in subsidiary 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.

Finance costs

Finance costs which are directly attributable to interest bearing bank loans are capitalised as part of the cost of that financial liability. The finance costs are recognised in the profit and loss account over the term of such financial instruments at a constant rate.

2. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

During both the current and preceding periods the company had no employees and the directors did not receive any remuneration for their services to QA-IQ Group Limited.

QA-IQ GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

52 weeks ended 27 May 2011

3. AUDITOR'S REMUNERATION

Auditor's remuneration for audit services amounted to £1,500 (52 weeks ended 28 May 2010 - £1,500) and in both periods this was borne by a fellow group undertaking

4. INTEREST RECEIVABLE AND SIMILAR INCOME

	52 weeks ended 27 May 2011 £	52 weeks ended 28 May 2010 £
Bank interest receivable	62,083	47,273

5. INTEREST PAYABLE AND SIMILAR CHARGES

	52 weeks ended 27 May 2011 £	52 weeks ended 28 May 2010 £
Interest on bank loan	459,350	515,461
Other finance charges	76,693	69,693
	536,043	585,154

6. TAX ON LOSS ON ORDINARY ACTIVITIES

a) Analysis of (credit) in period

	52 weeks ended 27 May 2011 £	52 weeks ended 28 May 2010 £
Current tax credit		
Adjustment in respect of prior periods	-	(453,362)

NOTES TO THE FINANCIAL STATEMENTS

52 weeks ended 27 May 2011

6. TAX ON PROFIT ON ORDINARY ACTIVITIES (continued)

The loss on ordinary activities at the standard UK corporation tax rate of 27.67% (52 weeks ended 28 May 2010 - 28%) reconciles to the current tax credit as follows

	52 weeks ended 27 May 2011 £	52 weeks ended 28 May 2010 £
Loss on ordinary activities before tax	(473,960)	(537,881)
Tax on loss on ordinary activities at standard rate	(131,129)	(150,607)
Factors affecting credit for the period		
Tax losses carried forward	51,065	125,506
Group relief surrendered for nil consideration	80,064	25,101
Adjustments in respect of prior periods	-	(453,362)
Total current tax credit	-	(453,362)

b) Factors affecting future tax charges

In June 2010, the UK Government announced that the standard rate of UK corporation tax will reduce from 28% to 27% effective 1 April 2011. This tax change became substantively enacted in July 2010. In March 2011, the UK Government announced a further reduction in the standard rate of UK corporation tax to 26% effective 1 April 2011 and to 25% effective 1 April 2012. These further rate reductions became substantively enacted in March 2011 and July 2011, respectively.

The UK Government also proposed changes to further reduce the standard rate of the UK corporation tax by 1% per annum to 23% by 1 April 2014, but these changes have not yet been substantively enacted.

The effect of these tax rate reductions on the deferred tax balance will be accounted for in the period in which the tax rate reductions are substantively enacted.

At 27 May 2011, the company had tax losses carried forward of £1,934,117 (28 May 2010 - £1,720,021).

A deferred tax asset of £502,870 (28 May 2010 - £481,606) in respect of these losses has not been recognised as the directors do not consider that these losses will be utilised in the foreseeable future.

7. FIXED ASSET INVESTMENTS

	Shares in Subsidiary undertakings £
Cost and net book value	
At 29 May 2010	14,670,930
Additions	2,887
At 27 May 2011	14,673,817

In the period, the company acquired further shares in QA Learning Services Limited for a consideration of £2,887.

QA-IQ GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

52 weeks ended 27 May 2011

7. FIXED ASSET INVESTMENTS (continued)

As at 27 May 2011, the company had an investment in the following subsidiary undertakings

Name of undertaking	Country of incorporation	Principal activity at period end	Class of holding	%
Seckloe 208 Limited	England and Wales	Holding company	Ordinary	100
QA Limited*	England and Wales	Provision of training services	Ordinary	100
QA Learning Services Limited	England and Wales	Holding company	Ordinary	100
QA IT Services Limited*	England and Wales	Non-trading	Ordinary	100
Skillsgroup Holdings Limited*	England and Wales	Holding company	Ordinary	100
Scream Services Limited*	England and Wales	Holding company	Ordinary	100
Remarc Technologies Limited*	England and Wales	Non-trading	Ordinary	100
Sheenfalls NV*	Belgium	Non-trading	Ordinary	100
QA Business School Limited*	England and Wales	Provision of training services	Ordinary	80

*Indirect Subsidiary

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	27 May 2011 £	28 May 2010 £
Bank loans (see note 10)	2,047,785	1,792,471
Amounts owed to group undertakings	18,011,078	13,765,560
Accruals	70,643	38,658
	<u>20,129,506</u>	<u>15,596,689</u>

Bank loans and working capital facilities are secured over the assets of the company and other group undertakings. There are also related cross company guarantees within the QA-IQ Holdings Limited group.

9. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	27 May 2011 £	28 May 2010 £
Bank loans (see note 10)	<u>4,984,431</u>	<u>6,504,402</u>

QA-IQ GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS 52 weeks ended 27 May 2011

10. BORROWINGS

Borrowings are repayable as follows

	27 May 2011 £	28 May 2010 £
Bank loans (net of issue costs)		
Between one and two years	2,084,869	2,054,159
Between two and five years	2,899,562	4,450,243
	<u>4,984,431</u>	<u>6,504,402</u>
On demand or within one year	2,047,785	1,792,471
	<u>7,032,216</u>	<u>8,296,873</u>

The company's financial indebtedness with Bank of Ireland bears interest at 2.25% over LIBOR. The bank loan is repayable on a quarterly basis with the final repayment on 30 November 2014.

11. CALLED UP SHARE CAPITAL

	27 May 2011 £	28 May 2010 £
Called up, allotted and fully paid		
8,002,318 ordinary shares of 2p each	160,046	160,046

12. STATEMENT OF MOVEMENTS ON RESERVES

	Share premium account £	Profit and loss account £
Balance at 29 May 2010	3,517,545	(6,062,410)
Loss for the financial period	-	(473,960)
Balance at 27 May 2011	<u>3,517,545</u>	<u>(6,536,370)</u>

QA-IQ GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

52 weeks ended 27 May 2011

13. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' DEFICIT

	52 weeks ended 27 May 2011 £	52 weeks ended 28 May 2010 £
Loss for the financial period	(473,960)	(84,519)
Net movement in shareholders' deficit	(473,960)	(84,519)
Opening shareholders' deficit	(2,384,819)	(2,300,300)
Closing shareholders' deficit	<u>(2,858,779)</u>	<u>(2,384,819)</u>

14. 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

15. ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

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

The directors regard Encap Lux QatQ S à r l, a company registered in Luxembourg, 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 27 May 2011 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, Maundy, Cardiff, CF14 3UZ.