

Company Registration No. 05091695

QA-IQ GROUP LIMITED

Report and Financial Statements

27 May 2012

THURSDAY



L11CNT16

LD2

27/09/2012

#216

COMPANIES HOUSE

QA-IQ GROUP LIMITED

REPORT AND FINANCIAL STATEMENTS 2012

CONTENTS	Page
Officers and professional advisers	1
Directors' report	2
Directors' responsibilities statement	3
Independent auditor's report	4
Profit and loss account	6
Balance sheet	7
Notes to the financial statements	8

QA-IQ GROUP LIMITED

REPORT AND FINANCIAL STATEMENTS 2012

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 2012

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 £445,530 (52 weeks ended 27 May 2011 - £473,960)

DIVIDENDS

The directors do not recommend the payment of a dividend for the period (52 weeks ended 27 May 2011 - £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

AUDITOR

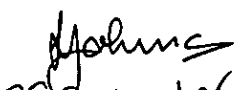
In the case of each of the persons who are directors of the company at the date when this report is approved

- 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


25 September 2012
I P Johnson
Director

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 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 2012 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 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 2012 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
- the directors were not entitled to take advantage of the small companies exemption in preparing the directors' report



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

25 September 2012

QA-IQ GROUP LIMITED

PROFIT AND LOSS ACCOUNT

52 weeks ended 27 May 2012

	Note	52 weeks ended 27 May 2012 £	52 weeks ended 27 May 2011 £
Interest receivable and similar income	4	45,641	62,083
Interest payable and similar charges	5	<u>(491,171)</u>	<u>(536,043)</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(445,530)	(473,960)
Tax on loss on ordinary activities	6	<u>-</u>	<u>-</u>
LOSS FOR THE FINANCIAL PERIOD	13	<u>(445,530)</u>	<u>(473,960)</u>

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 2012

	Note	27 May 2012 £	27 May 2011 £
FIXED ASSETS			
Investments	7	<u>14,673,817</u>	<u>14,673,817</u>
CURRENT ASSETS			
Debtors	8	7,700	8,900
Cash at bank and in hand		<u>5,054,486</u>	<u>7,572,441</u>
		5,062,186	7,581,341
CREDITORS: amounts falling due within one year	9	<u>(20,145,068)</u>	<u>(20,129,506)</u>
NET CURRENT LIABILITIES		<u>(15,082,882)</u>	<u>(12,548,165)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		(409,065)	2,125,652
CREDITORS: amounts falling due after more than one year	10	<u>(2,895,244)</u>	<u>(4,984,431)</u>
NET LIABILITIES		<u>(3,304,309)</u>	<u>(2,858,779)</u>
CAPITAL AND RESERVES			
Called up share capital	12	160,046	160,046
Share premium account	13	3,517,545	3,517,545
Profit and loss account	13	<u>(6,981,900)</u>	<u>(6,536,370)</u>
SHAREHOLDERS' DEFICIT	14	<u>(3,304,309)</u>	<u>(2,858,779)</u>

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

They were signed on its behalf by


25 September 2012
I P Johnson
Director

NOTES TO THE FINANCIAL STATEMENTS
52 weeks ended 27 May 2012

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 Limited 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. The directors have obtained confirmation from each of the fellow group undertakings to which it has a liability, that the other party will not demand repayment of the debt for at least 12 months from the date of signing these financial statements. The directors have considered that this is consistent with the business model of the QA-IQ Holdings Limited group. 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 recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

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

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

QA-IQ GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS 52 weeks ended 27 May 2012

1. ACCOUNTING POLICIES (CONTINUED)

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.

3. AUDITOR'S REMUNERATION

Auditor's remuneration for audit services amounted to £1,500 (52 weeks ended 27 May 2011 - £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 2012 £	52 weeks ended 27 May 2011 £
Bank interest receivable	45,641	62,083

5. INTEREST PAYABLE AND SIMILAR CHARGES

	52 weeks ended 27 May 2012 £	52 weeks ended 27 May 2011 £
Interest on bank loan	414,478	459,350
Other finance charges	76,693	76,693
	<u>491,171</u>	<u>536,043</u>

6. TAX ON LOSS ON ORDINARY ACTIVITIES

a) Analysis of credit in period

	52 weeks ended 27 May 2012 £	52 weeks ended 27 May 2011 £
Current tax credit	-	-
Adjustment in respect of prior periods	-	-

NOTES TO THE FINANCIAL STATEMENTS
52 weeks ended 27 May 2012

6. TAX ON PROFIT ON ORDINARY ACTIVITIES (continued)

The loss on ordinary activities at the standard UK corporation tax rate of 25.67% (52 weeks ended 27 May 2011 - 27.67%) reconciles to the current tax credit as follows

	52 weeks ended 27 May 2012 £	52 weeks ended 27 May 2011 £
Loss on ordinary activities before tax	(445,529)	(473,960)
Tax on loss on ordinary activities at standard rate	(115,838)	(131,129)
Factors affecting credit for the period		
Tax losses carried forward	-	51,065
Group relief surrendered for nil consideration	115,838	80,064
Adjustments in respect of prior periods	-	-
Total current tax credit	-	-

b) Factors affecting future tax charges

In March 2012, the UK Government announced a reduction in the standard rate of UK corporation tax to 24% effective 1 April 2012 and to 23% effective 1 April 2013. These rate reductions became substantively enacted in March 2012 and July 2012 respectively. The UK Government also proposed to further reduce the standard rate of UK corporation tax to 22% effective 1 April 2014, but this change has not 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 2012, the company had tax losses carried forward of £2,344,516 (27 May 2011 - £1,934,117).

A deferred tax asset of £562,684 (27 May 2011 - £502,870) 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 28 May 2011 and 27 May 2012	14,673,817

QA-IQ GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS 52 weeks ended 27 May 2012

7. FIXED ASSET INVESTMENTS (continued)

As at 27 May 2012, 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
Aikona Management Limited*	England and Wales	Non-trading	Ordinary	100
The Projects Group Limited*	England and Wales	Non-trading	Ordinary	100
Project Management Professional Learning Limited*	England and Wales	Non-trading	Ordinary	100
Larchdrift Projects*	England and Wales	Publication of trading magazine	Ordinary	100

*Indirect Subsidiary

8. DEBTORS

	27 May 2012 £	27 May 2011 £
Other debtors and prepayments	<u>7,700</u>	<u>8,900</u>

QA-IQ GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS 52 weeks ended 27 May 2012

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	27 May 2012 £	27 May 2011 £
Bank loans (see note 11)	2,089,465	2,047,785
Amounts owed to group undertakings	17,994,906	18,011,078
Accruals	60,697	70,643
	<u>20,145,068</u>	<u>20,129,506</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.

Amounts due from and to group undertakings are unsecured, do not accrue any interest and are repayable on demand.

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

	27 May 2012 £	27 May 2011 £
Bank loans (see note 11)	<u>2,895,244</u>	<u>4,984,431</u>

11. BORROWINGS

Borrowings are repayable as follows

	27 May 2012 £	27 May 2011 £
Bank loans (net of issue costs)		
Between one and two years	1,891,363	2,084,869
Between two and five years	1,003,881	2,899,562
	<u>2,895,244</u>	<u>4,984,431</u>
On demand or within one year	2,089,465	2,047,785
	<u>4,987,709</u>	<u>7,032,216</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.

QA-IQ GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS 52 weeks ended 27 May 2012

12. CALLED UP SHARE CAPITAL

	27 May 2012 £	27 May 2011 £
Called up, allotted and fully paid 8,002,318 ordinary shares of 2p each	160,046	160,046

13. STATEMENT OF MOVEMENTS ON RESERVES

	Share premium account £	Profit and loss account £
Balance at 28 May 2011	3,517,545	(6,536,370)
Loss for the financial period	-	(445,530)
Balance at 27 May 2012	3,517,545	(6,981,900)

14. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' DEFICIT

	52 weeks ended 27 May 2012 £	52 weeks ended 27 May 2011 £
Loss for the financial period	(445,530)	(473,960)
Net movement in shareholders' deficit	(445,530)	(473,960)
Opening shareholders' deficit	(2,858,779)	(2,384,819)
Closing shareholders' deficit	(3,304,309)	(2,858,779)

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 QA-IQ Investments Limited as the immediate parent company. Both companies are registered in England and Wales.

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

QA-IQ GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

52 weeks ended 27 May 2012

The smallest and largest group in which the results of the company are consolidated for the period ended 27 May 2012 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, Maindy, Cardiff, CF14 3UZ.