

Company Registration No. 05091695

QA-IQ GROUP LIMITED

Report and Financial Statements

29 May 2015

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QA-IQ GROUP LIMITED

REPORT AND FINANCIAL STATEMENTS 2015

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QA-IQ GROUP LIMITED

REPORT AND FINANCIAL STATEMENTS 2015

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

DLA Piper UK LLP
3 Noble Street
London
EC2V 7EE

AUDITOR

Deloitte LLP
Chartered Accountants and Statutory Auditor
Leeds

QA-IQ GROUP LIMITED

REPORT AND FINANCIAL STATEMENTS 2015

STRATEGIC REPORT

PRINCIPAL ACTIVITY AND BUSINESS REVIEW


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

RESULTS AND DIVIDENDS

The company's profit for the financial year was £782,988 (year ended 30 May 2014: £1,292,589). Increased interest payable on loans to group companies and costs associated with the refinancing of bank debt during the year have resulted in profit decreasing compared to the prior year.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties relate to the carrying value of the company's investment in its subsidiaries and the subsidiaries' ability to generate sufficient profits and cash flows to support the carrying value of the investment and to meet interest payments due to the company on its loans to other group companies.



I P Johnson

Director

29 September 2015

QA-IQ GROUP LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 29 May 2015.

DIVIDENDS

The directors do not recommend the payment of a dividend for the year (year ended 30 May 2014 - £nil).

DIRECTORS

The directors who served throughout the year and to the date of this report 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.

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 QA-IQ Investments Limited's group. The directors, who are also directors of QA-IQ Investments 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. Therefore the directors of the company consider that the going concern basis of preparation remains appropriate.

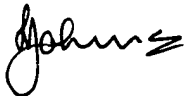
AUDITOR

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.

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



I P Johnson

Director

29 September 2015

QA-IQ GROUP 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;
- state whether applicable accounting standards have been followed; 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 to 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 year ended 29 May 2015 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 29 May 2015 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 and Strategic Report for the financial period 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



Matthew Hughes BSc (Hons), ACA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Leeds, United Kingdom
29 September 2015

QA-IQ GROUP LIMITED

PROFIT AND LOSS ACCOUNT **Year ended 29 May 2015**

		Year ended 29 May 2015 £	Year ended 30 May 2014 £
	Note		
Interest receivable and similar income	4	4,618,123	3,256,231
Interest payable and similar charges	5	(3,835,135)	(1,963,642)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		782,988	1,292,589
Tax on profit on ordinary activities	6	-	-
PROFIT FOR THE FINANCIAL YEAR	13	782,988	1,292,589

All activities derive from continuing operations.

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

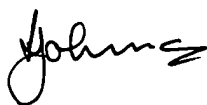
QA-IQ GROUP LIMITED

BALANCE SHEET 29 May 2015

	Note	29 May 2015 £	30 May 2014 £
FIXED ASSETS			
Investments	7	14,673,825	14,673,825
CURRENT ASSETS			
Debtors	8	102,544,987	48,715,196
Cash at bank and in hand		86,588	86,590
		102,631,575	48,801,786
CREDITORS: amounts falling due within one year	9	(55,277,442)	(34,043,020)
NET CURRENT ASSETS		47,357,133	14,758,766
TOTAL ASSETS LESS CURRENT LIABILITIES		62,030,958	29,432,591
CREDITORS: amounts falling due after more than one year	10	(58,661,069)	(26,845,690)
NET ASSETS		3,369,889	2,586,901
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	(307,702)	(1,090,690)
SHAREHOLDERS' FUNDS	14	3,369,889	2,586,901

The financial statements of QA-IQ Group Limited, registered number 5091695, were approved by the Board of Directors and authorised for issue on 29 September 2015.

They were signed on its behalf by



I P Johnson
Director

QA-IQ GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 29 May 2015

1. ACCOUNTING POLICIES

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

Basis of accounting

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 QA-IQ Investments Limited's group. The directors, who are also directors of QA-IQ Investments 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. 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, Ichnaea Jersey 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 Ichnaea Jersey Holdings Limited, a company registered in Jersey with consolidated accounts voluntarily filed in the United Kingdom. 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

Year ended 29 May 2015

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.

Financial liabilities and equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

2. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

During both the current and preceding years 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 (year ended 31 May 2013 - £1,500) and in both years this was borne by a fellow group undertaking.

4. INTEREST RECEIVABLE AND SIMILAR INCOME

	Year ended 29 May 2015 £	Year ended 30 May 2014 £
Interest on loan to group undertaking	4,618,123	3,256,231
	<u>4,618,123</u>	<u>3,256,231</u>

5. INTEREST PAYABLE AND SIMILAR CHARGES

	Year ended 29 May 2015 £	Year ended 30 May 2014 £
Interest on bank loan	2,486,879	1,521,964
Other finance charges	595,217	441,678
Refinancing costs	756,039	-
	<u>3,835,135</u>	<u>1,963,642</u>

QA-IQ GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 29 May 2015

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

a) Analysis of current tax in the year

	Year ended 29 May 2015 £	Year ended 30 May 2014 £
Current tax		
United Kingdom corporation tax at 20.83% (year ended 30 May 2014 – 22.67%) based on the result for the year	-	-

The profit on ordinary activities at the standard UK corporation tax rate of 20.83% (year ended 30 May 2014 – 22.67%) reconciles to the current tax credit as follows:

	Year ended 29 May 2015 £	Year ended 30 May 2014 £
Profit on ordinary activities before tax	782,988	1,292,589
Tax on profit on ordinary activities at standard rate	163,096	293,030
Factors affecting current tax for the year:		
Non-taxable income	-	-
Utilisation of tax losses	(163,096)	(293,030)
Total current tax	-	-

b) Factors affecting future tax charges

The Finance Act 2013, which provides for a reductions in the main rate of corporation tax from 23% to 21% effective from 1 April 2014, and to 20% effective from 1 April 2015, was substantively enacted on 3 July 2013 and these rate reductions have been reflected in the financial statements.

At 29 May 2015, the company had tax losses carried forward of £nil (30 May 2014: £508,000). A deferred tax asset of £nil (10 May 2014: £106,633) 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.

QA-IQ GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 29 May 2015

7. FIXED ASSET INVESTMENTS

Cost and net book value At 30 May 2014 and 29 May 2015	Shares in subsidiary undertakings £
	14,673,855

As at 29 May 2015, the company had an investment in the following subsidiary undertakings:

Name of undertaking	Country of registration	Principal activity at year 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
Scream Services Limited*	England and Wales	Holding company	Ordinary	100
Remarc Technologies Limited	England and Wales	Holding company	Ordinary	100
QA Learning Services Limited*	England and Wales	Holding company	Ordinary	99
QA IT Services Limited*	England and Wales	Holding company	Ordinary	99
Skillsgroup Holdings Limited*	England and Wales	Non-trading	Ordinary	99
QA-IQ Investments (UK) Limited*	England and Wales	Holding company	Ordinary	100
F1 Computing Services Limited*	England and Wales	Holding company	Ordinary	100
Xpertise Training Limited*	England and Wales	Non-trading	Ordinary	100
Watermans and People Organisational Development Limited*	England and Wales	Non-trading	Ordinary	100
Power Education Limited*	England and Wales	Non-trading	Ordinary	100
QAHE (Ulst) Limited*	England and Wales	Provision of higher education	Ordinary	100
QAHE Limited*	England and Wales	Provision of higher education	Ordinary	100
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 Limited*	England and Wales	Non-trading	Ordinary	100
QAHE (NU) Limited*	England and Wales	Provision of higher education	Ordinary	100
Focus Project Management (Europe) Limited*	England and Wales	Provision of training services	Ordinary	100
M2 Education (Hong Kong) Limited*	Hong Kong	Provision of higher education	Ordinary	73
M2 Education (Singapore) PTE Limited*	Singapore	Provision of higher education	Ordinary	73
M2 Venture PTE Limited*	Singapore	Provision of higher education	Ordinary	73
M2 Academy PTE Limited*	Singapore	Provision of higher education	Ordinary	73
More Than One Degree PTE Limited*	Singapore	Provision of higher education	Ordinary	73

*Indirect Subsidiary

QA-IQ GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 29 May 2015

8. DEBTORS

All amounts due within one year:

	29 May 2015 £	30 May 2014 £
Loans to group undertakings	98,993,074	45,163,283
Amounts due from group undertakings	3,551,913	3,551,913
	<u>102,544,987</u>	<u>48,715,196</u>

Amounts due from group undertakings are unsecured, do not accrue any interest and are repayable on demand. Loans to group undertakings bear interest at a rate of 5% - 7.5% per annum and are repayable on demand.

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	29 May 2015 £	30 May 2014 £
Bank loans (see note 11)	6,746,023	7,268,688
Amounts owed to group undertakings	32,428,893	26,774,332
Loans from group undertakings	15,886,668	-
Accruals	215,858	-
	<u>55,277,442</u>	<u>34,043,020</u>

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

Loans from group undertakings are unsecured and bear interest at 5% per annum.

Bank loans and revolving credit facilities across the QA-IQ Investments Limited group are secured over the assets of the company and other group companies. There are also related cross company guarantees.

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

	29 May 2015 £	30 May 2014 £
Bank loans (see note 11)	<u>58,661,069</u>	<u>26,845,690</u>

QA-IQ GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 29 May 2015

11. BORROWINGS

Borrowings are repayable as follows:

	29 May 2015 £	30 May 2014 £
Bank loans (net of issue costs)		
Between one and two years	7,919,244	18,681,314
Between two and five years	50,741,825	8,164,376
	<u>58,661,069</u>	<u>34,108,322</u>
On demand or within one year	6,746,023	7,268,688
	<u>65,407,092</u>	<u>34,114,378</u>

The group's financial indebtedness with its lending banks bears interest at between 3% and 3.25% over LIBOR. The bank loans are repayable by 3 October 2019.

During the current year, the company entered into certain interest rate swap arrangements to fix the interest rate as a hedge against borrowings totalling £33,390,000. The fair value of these instruments at 29 May 2015 was £109,000.

12. CALLED UP SHARE CAPITAL

	29 May 2015 £	30 May 2014 £
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 30 May 2014	3,517,545	(1,090,690)
Profit for the financial year	-	782,988
Balance at 29 May 2015	<u>3,517,545</u>	<u>(307,702)</u>

QA-IQ GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 29 May 2015

14. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	Year ended 29 May 2015 £	Year ended 30 May 2014 £
Profit for the financial year	782,988	1,292,589
Net movement in shareholders' funds	782,988	1,292,589
Opening shareholders' funds	2,586,901	1,294,312
Closing shareholders' funds	3,369,889	2,586,901

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 Ichnaea Jersey Holdings Limited as the ultimate holding company and QA-IQ Investments Limited as the immediate parent company. Ichnaea Jersey Holdings Limited is registered in Jersey. QA-IQ Investments Ltd is registered in England and Wales.

The directors regard Engcap Lux QaiQ S.à.r.l., a company registered in Luxembourg, through its holding of 79.1% of the voting rights of Ichnaea Jersey Holdings Limited as the ultimate controlling party.

The smallest group in which the results of the company are consolidated for the year ended 29 May 2015 is that headed by QA-IQ Investments Limited and the largest is Ichnaea Jersey Holdings Limited. Copies of the consolidated accounts of QA-IQ Investments Limited and Ichnaea Jersey Holdings Limited which include the results of the company can be obtained from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.