SHL GROUP HOLDINGS 1 LIMITED
ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2009

Registered Number: 5919061

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REGISTERED OFFICE: The Pavilion, 1 Atwell Place, Thames Ditton, Surrey, KT7 0NE

DIRECTORS' REPORT

The directors present their directors' report and the audited consolidated financial statements of SHL Group Holdings 1 Limited ("SHL" or "the Group") for the year ended 31 December 2009

PRINCIPAL ACTIVITY

The principal activity of SHL is the development, implementation and sale of objective assessment products (delivered by both internet and paper and pencil) and services which allow our clients to measure and predict behaviours of our client workforce Objective assessment ensures that our customers recruit the right people in the right place at the right time and develop them more effectively to increase productivity and organisational performance

BUSINESS REVIEW

The results for the year ended 31 December 2009 are set out in the Consolidated Profit and Loss Account on page 8 Operating loss was £8 7m (2008 £0 7m loss), operating profit on continuing operations before exceptional charges was £3 4m (2008 £7 0m) EBITDA (earnings before interest, tax, depreciation and amortisation) before exceptional items was £11 0m (2008 £12 9m)

The economic downturn started to affect SHL in early 2009, and full year continuing revenues are 15% below last year The downturn had been foreseen, and consequently cost-cutting actions were taken which enabled the Group to reduce the impact on profits Overall, £14 4m was taken out of the cost base, as a result of key actions including the reduction in headcount to 593 heads (2008 787), and the recognition of vacant property provisions of £0 9m, which are expected to unwind over the next four years Additionally, our businesses in Germany (Product branch), Denmark (SPS), Ireland and Spain were closed these had generated revenues of £3 5m in 2008 (2009 £0 3m) The exceptional charge relating to these restructuring actions was £7 0m Consequently the Group has improved its gross margin to 49% (2008 45%), and increased revenue per sales head to £459,000 (2008 £421,000)

However, the final quarter has been more positive The decline in Product revenues has slowed, with revenues being down by only 9%, and systems usage is increasing for the first three quarters usage was down 2% but the final quarter has shown an increase of 22% on the prior year In addition, profitability was significantly higher in the quarter

The centralisation of our support structures in 2008 has proved to be a success, allowing us to be more effective and efficient and to introduce changes to the business more easily as well as presenting a more consistent face to our global customers It has been particularly effective in improving our cash management with the percentage of debtors over 60 days at 31 December 2009 standing at 19% (2008 30%)

In 2009, the Group completed the majority of the work on its new customer-facing IT platform (SHL On-Demand) after a three year project with the system going live in September This has a more user-friendly customer interface which has generated much positive customer feedback, additionally the system is simpler and cheaper to maintain and more scalable to accommodate growth in the future Following the launch we have reviewed the costs capitalised over the duration of the project and have written down those costs incurred during development which have not directly contributed to the final build (£2 5m)

Simultaneously, we launched an innovative new personality questionnaire in 31 languages The next generation of our flagship product uses the latest advancements in test theory to deliver an assessment that is twice as fast to complete as the previous version, as well as being more precise

In September, we also reintegrated our European consulting business (SHL People Solutions, "SPS") with the Product business to create one business that is customer focussed This will have some impact on our corporate structure in 2010

A refinancing of SHL's debt funding was carried out in March 2009, which incurred exceptional costs of £2 3m On 27 March 2009 the Group completed the renegotiation of its loan facilities with its lenders resulting in significant changes to the covenants that will apply for the remainder of the loan terms, and the redenomination of the loans into certain foreign currencies On 30 March 2009 the Group received additional loan funding of £12m from HgCapital and in return issued £0 4m additional shares and £11 6m loan notes

The Group has positioned itself looking forwards into 2010, with a strong cost base, the newly merged business creating new opportunities, and an increased focus on the external market and putting the customer first These all act as a good foundation for the Group to react to the changes in the economic environment

The directors consider it appropriate to prepare the financial statements on a going concern basis Further disclosure is given in note 1

Key Performance Indicators

The key performance indicators used in the business during the year are revenue per sales head, customer systems usage, number of employees, the percentage of debt over 60 days, and various components of gross margin (costs as a percentage of revenues) The performance of the business in terms of these indicators is described above

PRINCIPAL RISKS AND UNCERTAINTIES

Business Risks

In common with most businesses at this time, the challenging macro-economic conditions create some risk to future revenues The management team have implemented a number of strategies to maximise the level of sales going forward Further, we are continually forecasting future revenues with as much accuracy as possible and maintain the flexibility to be able to adjust the Group's cost base in order to achieve the targeted profitability of the Group

SHL's principal activity is the provision of web-based psychometric assessment, of which a substantial proportion is delivered online The key risk associated with this is continuity of web service The implementation of SHL On-Demand has improved reliability, availability and security It has been penetration tested by a reputable external agency and we continuously monitor the security of the system to keep up to date with current threats

We have a detailed business continuity plan which focuses on the continuance of service to customers, our own business processes and the security of candidates All our technology infrastructure is under the management of Capgemini who are a leading European provider, and our systems are installed in two highly secure data centres, with one acting as a back up for the other Capgemini are contracted to have our web-based assessment systems back up and running within four hours of any problem affecting the primary data centre

Exchange Rate and Interest Rate Risk

SHL is exposed to exchange rate risk through its regular international trading activity and exchange rate and interest rate risk from its bank loans Details of these risks and its policies for mitigating them are disclosed in note 15

During the year, SHL formalised the manner in which it hedges against foreign exchange risk, and implemented a rolling one year programme of foreign exchange hedging on the major trading currencies (Euros, Australian dollars, Hong Kong dollars, Swedish Krone, South African Rand)

As a result of the refinancing which occurred in March, SHL's interest rate hedging instruments no longer matched the interest rate profile of the debt To resolve this issue, two sterling hedges totalling £16m were terminated and new US dollar hedges totalling $12m were entered into

PROPOSED DIVIDEND

The directors do not recommend the payment of a dividend (2008 nil)

POLICY ON PAYMENT TO SUPPLIERS

Where the supply of goods and services is satisfactory and in the absence of any dispute, SHL's policy is to pay suppliers in accordance with the terms agreed prior to the supply of goods and services Where no such agreement exists SHL's policy is to pay suppliers in accordance with local practice, and with regard to cash flow management SHL seeks to treat all its suppliers fairly, but does not follow any published code or standard on payment practice The trade creditors shown in the consolidated balance sheet at 31 December 2009 represent 13 days (2008 57) of average purchases (based on the aggregate amounts invoiced by suppliers during the period) for SHL

DIRECTORS AND DIRECTORS' INTERESTS

The directors who held office during the year were as follows

J E G Bateson (resigned 30 June 2009)
E V Lancaster
D B Leigh
R L Lincoln (resigned 1 March 2009)
C J Sandham
L J Stone
D A Thorpe (appointed 1 June 2009)
N T Turner (appointed 1 March 2009)

EMPLOYEES

SHL continues to place a high emphasis on mutually beneficial relationships with its employees whom it regards as essential to SHL's future prosperity Employees are provided with information on matters of interest to them and are kept appraised of the financial progress of SHL SHL wishes to encourage a positive atmosphere in which all employees are encouraged to progress within the organisation

SHL has always recognised that the training and development of its employees is key to ensuring the achievement of the Group's objectives To ensure the continued development of the Group's employees, the Group is committed to the principles of The National Standard for Investors in People SHL (UK) Ltd has held the Investors in People certificate since July 1995 and was re-accredited in April 2008

SHL puts great emphasis on providing equality of opportunity for employees and in particular ensures that fair selection and development procedures apply The aim of our policy is to ensure that no job applicant or employee receives less favourable treatment on the grounds of age, sex, sexual orientation, disability, marital status, colour, religion, race or ethnic origin, or is disadvantaged by conditions or requirements which can not be shown to be justifiable In the event of an employee becoming disabled whilst in the Group's employment, we will work to ensure that they can continue in their employment as far as is practicable

POLITICAL AND CHARITABLE CONTRIBUTIONS

The Company and its subsidiaries made charitable donations of £2,000 (2008 nil) during the year No political donations were made (2008 nil)

ACQUISITION OF OWN SHARES

During the year, the SHL Group Holdings 1 Employee Benefit Trust 2006 purchased 162,620 (2008 2,346) £1 shares comprising 6 0% of the called-up share capital for a consideration of £162,620 (2008 £2,346) from previous employees of SHL

DISCLOSURE OF INFORMATION TO AUDITORS

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006

AUDITORS

Each of the persons who is a director at the date of approval of this 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/she ought to have taken as a director in order to make himself/herself 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 were appointed as auditors on 9 September 2009

Deloitte LLP have indicated their willingness to be reappointed for another term and appropriate arrangements are being made for them to be deemed reappointed as auditors in the absence of an Annual General Meeting

By Order of the Board

SUZANNA BARRETT
Company Secretary
27 April 2010

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

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)

The financial statements are required by law to give a true and fair view of the state of affairs of the company and 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 judgments and accounting estimates that are reasonable and prudent,
- state whether applicable UK 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 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 SHL GROUP HOLDINGS 1 LIMITED

We have audited the financial statements of SHL Group Holdings 1 Limited for the year ended 31 December 2009 which comprise the Consolidated Profit and Loss Account, the Consolidated and Company Balance Sheets, the Consolidated Cash Flow Statement, the Consolidated Statement of Total Recognised Gains and Losses, the Reconciliations of Movements in Shareholders' Funds and the related notes 1 to 25 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 group's and the parent 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 group's and the parent company's affairs as at 31 December 2009 and of the group's loss 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 for the financial year for which the financial statements are prepared is consistent with the financial statements

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company 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

Emma Cox (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditors
London, UK

27 April 2010

CONSOLIDATED PROFIT AND LOSS ACCOUNT
Year ended 31 December 2009

	Notes	2009 £m	2008 £m
Group turnover			
Continuing operations		70 4	83 2
Discontinued operations		0 3	3 5
Total turnover	2, 3	70 7	86 7
Cost of sales		(35 8)	(47 7)
Gross profit		**34 9**	**39 0**
Other operating income	4	0 5	0 9
Administrative expenses		(32 3)	(33 0)
Impairment	6	(2 5)	-
Refinancing costs	6	(2 3)	-
Restructuring costs	6	(7 0)	(7 6)
Total administrative expenses		(44 1)	(40 6)
Group operating loss			
Continuing operations		(7 5)	(0 6)
Discontinued operations		(1 2)	(0 1)
Total operating loss	3, 6	**(8 7)**	**(0.7)**
Interest receivable and similar income		2 0	0 4
Interest payable and similar charges		(13 6)	(21 7)
Net financing costs	7	(11 6)	(21 3)
Loss on ordinary activities before taxation		**(20.3)**	**(22.0)**
Taxation on loss on ordinary activities	8	(4 7)	(0 3)
Loss for the year	18	**(25.0)**	**(22.3)**

CONSOLIDATED BALANCE SHEET
As at 31 December 2009

	Note	2009 £m	2008 £m
Fixed assets			
Intangible assets	9	60 9	64 3
Tangible assets	10	12 7	15 6
		73 6	79 9
Current assets			
Stock		0 1	0 3
Debtors	12	21 9	33 8
Cash and short term deposits		9 2	7 9
		31 2	42 0
Creditors: amounts falling due within one year	13	(18 6)	(30 7)
Net current assets		12 6	11 3
Total assets less current liabilities		86 2	91 2
Creditors: amounts falling due after more than one year	14	(140 3)	(121 5)
Provisions for liabilities and charges	16	(1 6)	(0 1)
Net liabilities		(55 7)	(30 4)
Capital and reserves			
Called up share capital	17,18	2 7	2 3
Own shares	18	(0 2)	-
Profit and loss account	18	(58 2)	(32 7)
Shareholders' deficit		(55 7)	(30 4)

These financial statements of SHL Group Holdings 1 Limited, registered number 5919061, were approved by the board of directors on 27 April 2010 and signed on its behalf by

David Leigh

Emma Lancaster

COMPANY BALANCE SHEET
As at 31 December 2009

	Notes	2009 £m	2008 £m
Fixed assets			
Investments	11	1 8	1 8
Current assets			
Debtors	12	0 7	0 9
Creditors: amounts fallıng due wıthın one year	13	(0 1)	(0 5)
Net current assets		0 6	0 4
Total assets less current liabilities		2 4	2 2
Net assets		2 4	2 2
Capital and reserves			
Called up share capıtal	17, 18	2 7	2 3
Own shares	18	(0 2)	-
Profıt and loss account	18	(0 1)	(0 1)
Shareholders' funds		2 4	2 2

These fınancıal statements of SHL Group Holdıngs 1 Lımıted, regıstered number 5919061, were approved by the board of dırectors on 27 Aprıl 2010 and sıgned on ıts behalf by

David Leigh

Emma Lancaster

CONSOLIDATED CASH FLOW STATEMENT
Year ended 31 December 2009

	Notes	2009 £m	2008 £m
Net cash inflow from operating activities	21	1 2	13 9
Return on investments and servicing of finance			
Interest received		0 1	0 3
Interest paid		(4 4)	(5 8)
Net cash outflow from return on investments and servicing of finance		(4 3)	(5 5)
Taxation		(2 5)	(2 2)
Capital expenditure			
Purchase of tangible fixed assets		(4 5)	(6 4)
Net cash outflow from capital expenditure		(4 5)	(6 4)
Acquisitions and disposals			
Closure of business		(0 9)	(0 2)
Net cash outflow from acquisitions and disposals		(0 9)	(0 2)
Net cash outflow before use of financing		(11 0)	(0 4)
Net cash inflow from financing			
Issue of ordinary share capital		0 4	-
Debt due within one year			
Repayment of secured loan		(1 7)	(4 2)
Debt due after more than one year			
New secured loans repayable from 2013 to 2016		13 6	7 0
Net cash inflow from financing		12 3	2 8
Increase in cash in the period		**1.3**	**2.4**

Reconciliation of net cash flow to movement in net debt

	Notes	2009 £m	2008 £m
Increase in cash in the period	22	(1 3)	(2 4)
Cash inflow from increase in debt financing		11 9	2 8
Non-cash adjustment for accrued interest		9 2	7 6
Translation differences		(2 2)	6 7
Movement in net debt in the period		**17.6**	**14.7**
Net debt in the start of the period		114 5	99 8
Net debt at the end of the period	22	**132.1**	**114.5**

CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
Year ended 31 December 2009

	2009 £m	2008 £m
Loss for the year		
Group	(25 0)	(22 3)
Net exchange differences on the retranslation of net investments	(0 5)	8 0
Total recognised gains and losses relating to the year	(25 5)	(14 3)

RECONCILIATIONS OF MOVEMENTS IN SHAREHOLDERS' FUNDS
Year ended 31 December 2009

GROUP

	2009 £m	2008 £m
Retained loss for the year	**(25.0)**	**(22.3)**
Shares issued	0 4	-
Exchange adjustments	(0 5)	8 0
Purchase of shares by Employee Benefit Trust	(0 2)	-
Reduction in shareholders' funds	**(25.3)**	**(14 3)**
Opening shareholders' funds	(30 4)	(16 1)
Closing shareholders' funds	**(55.7)**	**(30.4)**

COMPANY

	2009 £m	2008 £m
Retained profit for the year	-	-
Shares issued	0 4	-
Purchase of shares by Employee Benefit Trust	(0 2)	-
Net addition to increase in shareholders' funds	0 2	-
Opening shareholders' funds	2 2	2 2
Closing shareholders' funds	**2.4**	**2.2**

NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES

The following principal accounting policies have been applied consistently throughout the year and the prior year in dealing with items which are considered material in relation to the financial statements

(A) BASIS OF PREPARATION

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards under the historical cost convention

Going concern

A review of business performance, together with a description of the Group's principal risks and uncertainties is set out in the Directors' Report A description of the Group's borrowing facilities and its hedging strategies for both interest and foreign exchange is included in notes 14 and 15 to the accounts As described in note 14, the Group's borrowings include senior bank facilities, subordinated loan notes from the Group's shareholders and a working capital facility These facilities are due for repayment between 2013 and 2016 Under the bank facilities, the Group is required to comply with various financial covenants which are tested quarterly

The directors have prepared forecasts to June 2011 which show that the Group will comply with its financial covenants throughout this period, as well as operating well within its available facilities Key sensitivities relate to uncertainties facing the Group's customers and the related impact on its revenues and covenants, and the impact of foreign exchange movements on EBITDA and cash flow The directors have a number of actions open to them in the event of any unforeseen circumstances, including rephasing the timing of payments and the prepayment of the restructuring account

After making enquiries, the directors have a reasonable expectation that the Company and Group have adequate resources to continue in operational existence for the foreseeable future Accordingly, having taken into account the uncertainties referred to above, they consider it is appropriate to continue to adopt the going concern basis in preparing the annual report and accounts

(B) BASIS OF CONSOLIDATION

The consolidated financial statements include the financial statements of the Company and its subsidiary undertakings made up to 31 December each year The acquisition method of accounting has been adopted Under this method, the results of subsidiary undertakings acquired or disposed of in the year are included in the consolidated profit and loss account from the date of acquisition or up to the date of disposal

Under section 408 of the Companies Act 2006 the Company is exempt from the requirement to present its own profit and loss account The profit for the financial year dealt with in the financial statements of the parent Company was £9,000 (2008 nil)

(C) GOODWILL

Purchased goodwill (representing the excess of the fair value of the consideration given over the fair value of the separable net assets acquired) arising on consolidation is capitalised Positive goodwill is amortised to nil by equal annual instalments over twenty years, or its estimated useful life, if less Provision is made for any impairment

Goodwill on acquisitions arising before 30 September 1998, which had been written off to reserves in accordance with the accounting standards applicable at that date, has not been reinstated on the balance sheet, as permitted by current accounting standards

On the subsequent disposal or termination of a business, the profit or loss on disposal or termination is calculated after charging the unamortised amount of any related goodwill or the gross amount of any related goodwill previously taken to reserves (for acquisitions made prior to 30 September 1998)

(D) INVESTMENTS

In the Company's financial statements, investments in subsidiary undertakings are stated at cost less provision for impairment, and reviewed annually for impairment

NOTES TO THE ACCOUNTS (CONTINUED)

1. ACCOUNTING POLICIES (CONTINUED)

(E) TANGIBLE FIXED ASSETS

Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment Depreciation is provided on tangible fixed assets to write off the cost, less the estimated residual value, by equal instalments over the estimated useful economic lives as follows

Leasehold property	Over period of the lease
Equipment, furniture and fittings	25% straight line
Computer equipment	20% to 33% straight line

The cost of computer software development is capitalised as part of the related computer hardware where it is directly attributable to bringing an IT system into working condition for its intended use, and can be separately identified

(F) FOREIGN CURRENCIES

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account

The assets and liabilities of overseas subsidiary are translated at the closing exchange rates Profit and loss accounts of such undertakings are consolidated at the average rates of exchange during the year Gains and losses arising on these translations are taken to reserves

(G) STOCK

Stock mainly comprises questionnaires and associated materials for resale and is valued at the lower of cost and estimated net realisable value, after making due allowance for obsolete and slow moving items

(H) LEASES

Rentals under operating leases are charged on a straight line basis over the lease term, even if the payments are not made on such a basis Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight line basis over the term of the lease to the first break point

Leases of fixed assets, where substantially all the risks and benefits associated with the ownership of the asset are transferred to the Group, are classified as finance leases Finance leases are capitalised, recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual value Leased assets are amortised over their estimated useful lives Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period

(I) POST RETIREMENT BENEFITS

The Group operates a number of defined contribution pension schemes The amount charged against profits represents the contributions payable to the schemes in respect of the accounting period The assets of the schemes are held separately from those of the Group in independently administered funds

(J) RESEARCH AND DEVELOPMENT

Research expenditure is written off to the profit and loss account in the period in which it is incurred Development expenditure is written off except where the directors are satisfied as to the technical, commercial and financial viability of individual projects In such cases, the identifiable expenditure is deferred and amortised over the period during which the Group is expected to receive benefit

(K) WEBSITE DEVELOPMENT COSTS

Design and content development costs are capitalised only to the extent that they lead to the creation of an enduring asset delivering benefits at least as great as the amount capitalised If there is insufficient evidence on which to base reasonable estimates of the economic benefits that will be generated in the period until the design and content are next updated, the costs of developing the design and content are charged to the profit and loss account as incurred

1. ACCOUNTING POLICIES (CONTINUED)

(L) 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, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19 *Deferred Tax* Timing differences are differences between the Group'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 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

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 is considered that there will be sufficient future profits from which the reversal of the timing losses can be deducted

(M) TURNOVER

Turnover in the profit and loss account represents the value of goods and services provided to external clients net of VAT and trade discounts The underlying principle is to recognise revenue when the significant risks and rewards of ownership have been transferred to the client

Turnover for physical product (Paper & Pencil, and PC related products) is recognised on delivery Web-based revenues are separated into three elements implementation revenues are recognised at the point at which a website has been installed and accepted by the client, the product element of annuities is recognised at the point they are made available for the client's use, and the service element of annuities is recognised over the estimated support period

Professional Services turnover is recognised over the life of the project, in proportion to the stage of completion of the transaction at the balance sheet date Turnover on 'time and materials' contracts is recognised based on the number of days completed and the agreed daily rate Turnover on fixed price contracts is recognised following prudent assessment of services delivered

(N) OWN SHARES HELD BY EMPLOYEE BENEFIT TRUST

Transactions of the SHL Group Holdings 1 Employee Benefit Trust 2006, controlled by SHL Group Holdings 1 Ltd, are treated as being those of the Company and are therefore reflected in the Group and Company financial statements In particular, the trust's purchases of shares in the Company are debited directly to equity

(O) CASH

Cash, for the purposes of the cash flow statement, comprises cash in hand and deposits repayable on demand, less overdrafts repayable on demand

(P) BANK BORROWINGS

Interest-bearing bank loans and overdrafts are recorded at the proceeds received, net of direct issue costs Finance charges, including direct issue costs, are accounted for on an accruals basis in the profit and loss account using the effective interest method

(Q) DERIVATIVE FINANCIAL INSTRUMENTS

The Group uses derivative financial instruments to reduce exposure to foreign exchange risk and interest rate movements It does not hold or issue derivative financial instruments for speculative purposes

For a forward exchange contract to be treated as a hedge the instrument must be related to actual foreign currency assets or liabilities or to a probable commitment It must involve the same currency or similar currencies as the hedged item and must also reduce the risk of foreign currency exchange movements on the Group's operations Gains and losses arising on these contracts are deferred and recognised in the profit and loss account only on maturity

For an interest rate swap to be treated as a hedge the instrument must be related to actual assets or liabilities or a probable commitment and must change the nature of the interest rate by converting a fixed rate to a variable rate Interest differentials under these swaps are recognised by adjusting new interest payable over the period of the contracts

NOTES TO THE ACCOUNTS (CONTINUED)

2 SEGMENTAL INFORMATION

Turnover ıs attrıbutable to the prıncıpal actıvıtıes of the Group

The analysıs by geographıcal regıon ıs

	2009 £m	2008 £m
UK, Ireland and South Afrıca	27 6	33 3
Contınental Europe	26 0	34 0
North Amerıca	6 6	7 0
Asıa Pacıfıc	10 5	12 4
	70 7	86 7

The analysıs by busıness segment ıs

	2009 £m	2008 £m
Product	37 3	45 1
Professıonal Servıces	33 4	41 6
	70 7	86 7

Group turnover falls ınto two categorıes Product and Professıonal Servıces

Product turnover ıncludes sales of our web systems and the unıts and lıcences whıch are requıred to operate them, as well as tests delıvered by the more tradıtıonal paper and pencıl and PC

Professıonal Servıces turnover relates to the consultant based busıness whıch delıvers product consultıng and traınıng courses and carrıes out assessments

3. ANALYSIS ON CONTINUING AND DISCONTINUED OPERATIONS

	2009 Contınuıng £m	2009 Dıscontınued £m	2009 Total £m	2008 Contınuıng £m	2008 Dıscontınued £m	2008 Total £m
Turnover	70 4	0 3	70 7	83 2	3 5	86 7
Cost of sales	(35 3)	(0 5)	(35 8)	(44 8)	(2 9)	(47 7)
Gross profıt/(loss)	35 1	(0 2)	34 9	38 4	0 6	39 0
Other operatıng ıncome	0 5	-	0 5	0 9	-	0 9
Admınıstratıve expenses	(32 2)	(0 1)	(32 3)	(32 3)	(0 7)	(33 0)
Impaırment	(2 5)	-	(2 5)	-	-	-
Refınancıng costs	(2 3)	-	(2 3)	-	-	-
Restructurıng costs	(6 1)	(0 9)	(7 0)	(7 6)	-	(7 6)
Total operatıng loss	(7 5)	(1 2)	(8 7)	(0 6)	(0 1)	(0 7)

NOTES TO THE ACCOUNTS (CONTINUED)

4 OTHER OPERATING INCOME

	2009 £m	2008 £m
Royalty income due from distributors	0 5	0 9

5. STAFF COSTS AND PENSION SCHEMES

	2009 £m	2008 £m
Staff costs including directors' remuneration were as follows		
Wages and salaries	28 9	34 8
Social security costs	3 5	3 8
Pension and other costs	4 3	5 3
	36 7	43 9

	2009	2008
The average monthly number of employees during the year was as follows		
Managers	20	22
Consultants	208	242
Sales and marketing	168	203
Finance & accounting	45	54
IT support	32	40
Administration	72	86
Shared service centre	105	76
Other	23	22
	673	745

The Group operates a number of defined contribution pension schemes The cost of the schemes for the year ended 31 December 2009 was £1 5m (2008 £2 0m) At 31 December 2009, there was an accrual of £0 2m (2008 £0 3m) in respect of pension contributions

Directors' Remuneration

The remuneration of the executive and non-executive directors of the Company was as follows

	2009 £m	2008 £m
Salary & fees	0 8	1 2
Bonus	0 2	0 3
Compensation for loss of office	0 4	-
	1 4	1 5

Pension contributions for three (2008 three) directors during the period amounted to £0 1m The non-executive directors were not entitled to any pension contributions The highest paid director was paid £0 6m including pension contributions of £47,000

NOTES TO THE ACCOUNTS (CONTINUED)

6. OPERATING LOSS

	2009 £m	2008 £m
Operatıng loss ıs stated after chargıng		
Depreciatıon	4 1	2 3
Amortısatıon	3 4	3 7
Loss on dısposal of fıxed assets	0 3	-
Operatıng lease rentals	3 4	2 6
Research and development expensed as ıncurred	1 7	4 0
Exceptıonal admınıstratıve costs (see below)		
Impaırment	2 5	-
Refınancıng costs	2 3	-
Restructurıng costs	7 0	7 6

Followıng an ımpaırment revıew of the new customer-facıng IT platform (SHL On-Demand), those costs ıncurred durıng development whıch have not dırectly contrıbuted to the fınal buıld were wrıtten down The refınancıng costs were ıncurred due to the Group's renegotıatıon of ıts loan facılıtıes wıth ıts lenders and prımarıly ınclude professıonal advısors' fees The restructurıng costs ınclude property provısıons, redundancy payments and consultancy fees and relate to the reorganısatıon of busıness actıvıtıes followıng the management buy-out (2008) and downsızıng of the busıness followıng the economıc downturn (2009)

	2009 £m	2008 £m
Fees paıd to audıtors		
Audıt of these fınancıal statements	0 1	0 1
Audıt of the fınancıal statements of subsıdıarıes pursuant to legıslatıon	0 2	0 2
Other servıces		
Debt advısory servıces	0 2	-
Due dılıgence work undertaken on refınancıng	0 3	-
	0 8	0 3

7. NET FINANCING COSTS

	2009 £m	2008 £m
Bank ınterest	0 1	0 4
Net exchange gaıns	1 9	-
Total ınterest receıvable and sımılar ıncome	2 0	0 4
Bank ınterest	(5 2)	(6 1)
Other ınterest and charges	(8 4)	(7 2)
Net exchange losses	-	(8 4)
Total ınterest payable and sımılar charges	(13 6)	(21 7)
Net fınancıng costs	(11 6)	(21 3)

8. TAXATION

Analysis of charge in year

	2009 £m	2008 £m
UK corporation tax at 28% (2008 28%)		
Current tax on income for the period	-	-
Adjustment in respect of prior periods	-	-
	-	-
Foreign tax		
Current tax	(0 7)	(1 2)
Adjustment in respect of prior periods	(1 1)	(0 2)
	(1 8)	(1 4)
Total current tax	(1 8)	(1 4)
Deferred tax		
Original and reversal of timing differences	(2 9)	1 1
Taxation on loss on ordinary activities	(4 7)	(0 3)

The tax assessed for the year is lower than this standard rate of UK corporation tax of 28% (2008 28%) The differences are explained below

	2009 £m	2008 £m
Loss on ordinary activities before taxation	(20 3)	(22 0)
Loss on ordinary activities at the standard rate of UK corporation tax of 28% (2008 28%)	5 7	6 1
Effects of		
Higher tax rates on overseas earnings	0 1	(0 3)
Non-deductible expenses	(2 4)	(3 0)
Short term timing differences	(0 9)	-
Depreciation in excess of capital allowances	(0 2)	-
Prior period adjustments	(1 1)	0 2
Losses not utilised in the year	(3 0)	(4 3)
Non-recoverable withholding tax	-	(0 1)
Current tax on loss on ordinary activities	(1 8)	(1 4)

The Group is based in the UK, and the UK provides the largest share of Group revenues Therefore the tax rate used for the tax on loss on ordinary activities is the standard rate of UK corporation tax, currently 28%

A deferred tax asset amounting to £12 7m for trading losses and short term timing differences has not been recognised because in the opinion of the directors there will be no suitable taxable gains available in the foreseeable future

9. INTANGIBLE FIXED ASSETS

GROUP

	Goodwill £m
Cost	
At 31 December 2008 and 31 December 2009	72 5
Amortisation	
At 1 January 2009	8 2
Charge for the year	3 4
At 31 December 2009	11 6
Net book value	
At 31 December 2009	60 9
At 31 December 2008	64 3

The directors consider each acquisition separately for the purpose of determining the amortisation period of any goodwill that arises Goodwill is amortised over twenty years from the date of acquisition

10. TANGIBLE FIXED ASSETS

GROUP

	Leasehold Property £m	Equipment & Fixtures £m	Total £m
Cost			
At 1 January 2009	2 7	35 7	38 4
Exchange Movements	0 1	(0 3)	(0 2)
Additions	-	4 0	4 0
Disposals	(0 3)	(6 6)	(6 9)
At 31 December 2009	2 5	32 8	35 3
Depreciation			
At 1 January 2009	1 6	21 2	22 8
Exchange movements	0 1	(0 3)	(0 2)
Charge for the year	0 2	3 9	4 1
Disposals	(0 3)	(6 3)	(6 6)
Impairment	-	2 5	2 5
At 31 December 2009	1 6	21 0	22 6
Net book value			
At 31 December 2009	0 9	11 8	12 7
At 31 December 2008	1 1	14 5	15 6

11 INVESTMENTS

COMPANY

	Equity in Subsidiary Undertakings £m
Cost and net book value	
At 31 December 2008 and 31 December 2009	1 8

Details of investments in subsidiary undertakings are given in note 25

12. DEBTORS

	Group 2009 £m	Group 2008 £m	Company 2009 £m	Company 2008 £m
Due within one year				
Trade debtors	16 0	24 1	-	-
Amounts owed by group undertakings	-	-	0 6	0 7
Other debtors	0 3	1 1	0 1	0 2
Corporation tax recoverable	1 8	1 7	-	-
Prepayments and accrued income	2 5	2 9	-	-
Total debtors due within one year	20 6	29 8	0 7	0 9
Due after more than one year				
Deferred tax	1 1	4 0	-	-
Other	0 2	-	-	-
Total debtors	21 9	33 8	0 7	0 9

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2009 £m	Group 2008 £m	Company 2009 £m	Company 2008 £m
Bank loans	1 7	1 4	-	-
Trade creditors	1 0	6 5	-	-
Amounts owed to group undertakings	-	-	0 1	0 5
Other creditors	2 5	7 7	-	-
Social security and other tax payable	0 7	2 6	-	-
Corporation tax	1 5	2 2	-	-
Accruals and deferred income	11 2	10 3	-	-
	18 6	30 7	0 1	0 5

Interest is payable on the Company's intercompany loans at LIBOR

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

	Group 2009 £m	Group 2008 £m
Bank loans	58 4	59 8
Other loans	81 2	61 2
Other creditors	0 7	0 5
	140 3	121 5

On 27 March 2009 the Group completed the renegotiation of its loan facilities with its lenders resulting in significant changes to the covenants that will apply for the remainder of the loan terms, and the redenomination of the loans into certain foreign currencies The revised covenants are based on forecasts prepared by the Directors for 2009 to 2013 and allow headroom before an adverse variance to the forecasts would result in a breach of the covenants

A summary of the revised facilities is set out below

- a £6m multi-currency revolving credit facility
- a £10 5m AUD denominated capex facility to be repaid on 31 December 2013
- £8 8m of euro denominated senior debt (known as Senior A) to be repaid in instalments over 2009 to 2013
- £16 4m of euro and USD denominated senior debt (known as Senior B) to be repaid on 31 December 2014
- £12 7m of GBP and euro denominated senior debt (known as Senior C), which is to be repaid on 31 December 2015
- £13 4m of euro denominated Mezzanine debt, which is due to be repaid on 31 December 2016

These facilities are secured by a fixed and floating charge over a number of the Group's UK and foreign incorporated subsidiaries Interest rates are payable on the loans at the following margins above the relevant LIBOR

Revolving credit facility	3 25%
Capex facility	5 00%
Senior A	3 25%
Senior B	3 75%
Senior C	4 25%
Mezzanine	11 0%

The other loans comprise loan notes issued by the Company's direct subsidiary, SHL Group Holdings 2 Ltd, to HgCapital 5 Nominees Limited ("HgCapital"), and accrued interest thereon The loan notes accrue interest at a fixed rate of 11% and are due to be repaid by 31 December 2016 On 30 March 2009 the Group received additional loan funding of £11 6m from HgCapital This additional funding was used to cover the costs of the renegotiation of the facilities and to fund restructuring activity The remainder is available to meet short-term liquidity requirements or further restructuring activity as necessary At 31 December 2009, loan notes had been issued to the value of £61 7m (2008 £50 1m) and accrued interest amounted to £20 9m (2008 £13 0m) During the year £7 9m (2008 £6 4m) of interest was accrued

	2009 £m	2008 £m
The loan amounts fall due		
Within 1 year	1 7	1 4
Within 2-5 years	15 1	14 4
After 5 years	124 5	106 6
	141 3	122 4

15. DERIVATIVES AND OTHER FINANCIAL INSTRUMENTS

The Board approves treasury policy The principal objective of the Group's treasury policy is the management and control of risks to earnings and net assets that arise because of the international nature of the Group's business It is a fundamental principle that the Group does not speculate in the currency markets nor enter into artificial treasury transactions that may enhance earnings at the expense of net assets Currency exposure arising from the translation of assets held overseas in sterling is hedged to some extent by borrowing in foreign currencies

The Group may enter derivative contracts to protect specific interest rate or currency exposure

Financial assets

The interest rate profile of the financial assets of the Group was as follows

		2009 £m	2008 £m
Cash at bank	- non-interest bearing	9 1	7 7
	- interest bearing at floating interest rates	-	0 2
Short term deposits at floating interest rates		0 1	-
		9 2	7 9

The cash was held by the Company and subsidiaries in local as well as major currencies The principal non-sterling currencies held were euros (£2 5m) and South African Rand (£1 6m)

Financial liabilities

The Group's fixed rate financial liabilities comprise only the Hg loan notes, as disclosed in note 14 The currency profile of all financial liabilities is as follows

	2009 £m	2008 £m
Euros	34 7	28 9
Sterling	86 5	93 5
Australian Dollars	10 4	-
US Dollars	9 7	-
	141 3	122 4

Hedging

The Group has a number of interest hedges to cover its exposure on the variable interest rates of the Senior and Mezzanine debts The amounts hedged, and details of the hedges are as follows

Currency	Type of hedge	Expiry	Rate	2009	2008
EUR	Swap	December 2011	4 055%	€4 7m	€8 7m
EUR	Swap	December 2011	4 35%	€3 1m	€6 2m
EUR	Cap	December 2011	4 35%	€5 3m	€10 5m
GBP *	Swap with floor	December 2011	6 00%	-	£8 4m
GBP	Swap	December 2011	5 45%	£3 0m	£2 5m
GBP *	Swap with floor	December 2011	6 00%	-	£7 9m
GBP	Swap	December 2011	5 45%	£3 0m	£2 5m
USD	Swap	December 2014	3 68%	$6 0m	-
USD	Swap	December 2014	3 68%	$6 0m	-

* Terminated

The fair value of the above instruments as at 31 December 2009 is estimated to be a liability of £1 0m (2008 £1 2m)

15. DERIVATIVES AND OTHER FINANCIAL INSTRUMENTS (CONTINUED)

The Group has a number of forward contracts to cover its exposure of foreign currencies to GBP The details of the contracts are as follows

Value Date	SHL sells	SHL buys	Rate
31/03/2010	AUD 2 5m	£1 2m	2 1126
31/03/2010	SEK 5 5m	£0 5m	12 0505
31/03/2010	EUR 3 7m	£3 3m	1 1122
31/03/2010	HKD 2 6m	£0 3m	11 4055

The fair value of the above instruments as at 31 December 2009 is estimated to be a liability of £0 2m (2008 nil)

16. PROVISIONS FOR LIABILITIES AND CHARGES

GROUP

The movement in the provisions for liabilities and charges has been

	Onerous Leases 2009 £m	Restructuring 2009 £m	Total 2009 £m	Total 2008 £m
At 1 January 2009	0 1	-	0 1	0 3
Utilised	(0 1)	-	(0 1)	(0 2)
Provided	1 0	0 6	1 6	-
At 31 December 2009	1 0	0 6	1 6	0 1

The provision for restructuring relates to committed redundancy costs that will be incurred in the next financial year The expenditure of the onerous leases will be incurred over the life of the leases

Deferred tax

The movement in deferred tax has been

	Assets £m
At 1 January 2009	4 0
Credit for the period	(2 9)
At 31 December 2009	1 1

The elements of deferred taxation are as follows

	2009 £m	2008 £m
Difference between accumulated depreciation and capital allowances	-	3 2
Other timing differences	1 1	0 8
	1 1	4 0

No discounting is made for deferred tax

17. SHARE CAPITAL

	2009 £m	2008 £m
Allotted, called up and fully paid		
656,252 (2008 656,252) ordinary A shares of £1 each	0 7	0 7
2,037,716 (2008 1,687,500) ordinary B shares of £1 each	2 0	1 6
	2 7	2 3

In the event of a winding-up or sale of the Company, the holders of ordinary B shares have preferential rights over the holders of ordinary A shares

The Company issued 350,216 (2008 nil) £1 ordinary B shares on 30 March 2009 for a consideration of £350,216, settled in cash

18 SHARE CAPITAL AND RESERVES

GROUP

	Share Capital £m	Own Shares £m	Profit & Loss Account £m	Total £m
At 1 January 2009	2 3	-	(32 7)	(30 4)
Issue of shares	0 4	-	-	0 4
Purchase of shares by Employee Benefit Trust	-	(0 2)	-	(0 2)
Exchange movements	-	-	(0 5)	(0 5)
Loss for the year	-	-	(25 0)	(25 0)
At 31 December 2009	2 7	(0 2)	(58 2)	(55 7)

COMPANY

	Share capital £m	Own shares £m	Profit & Loss Account £m	Total £m
At 1 January 2009	2 3	-	(0 1)	2 2
Issue of shares	0 4	-	-	0 4
Purchase of shares by Employee Benefit Trust	-	(0 2)	-	(0 2)
At 31 December 2009	2 7	(0 2)	(0 1)	2 4

19. CONTINGENT LIABILITIES

The Group has debt facilities as set out in note 14 which are secured by a fixed and floating charge over a number of its UK and foreign incorporated subsidiaries The Group has contingent liabilities in respect of guarantees given in the normal course of trade

The Company had no contingent liabilities at 31 December 2009 (2008 nil)

20. COMMITMENTS

At 31 December 2009, the Group had no contracted capital commitments (2008 nil)

At 31 December 2009 the Group's annual commitments under non-cancellable operating leases were as follows

	Group 2009 £m	Group 2008 £m
Land and buildings		
Operating leases which expire		
Within one year	0 6	0 7
In the second to fifth years inclusive	1 7	1 4
Over five years	1 0	1 3
	3 3	3 4
Other		
Operating leases which expire		
Within one year	0 1	-
In the second to fifth years inclusive	0 3	0 3
	0 4	0 3

These amounts exclude future minimum sublease payments expected to be received under non-cancellable sublease amounting to £0 2m (2008 £0 3m)

At 31 December 2009, the Company had no contracted capital commitments or contracted annual commitments under non-cancellable operating leases (2008 nil)

21. RECONCILIATION OF OPERATING PROFIT TO OPERATING CASH FLOW

	2009 £m	2008 £m
Operating loss	(8 7)	(0 7)
Depreciation, amortisation and impairment charges	10 0	6 0
Loss on disposal of fixed assets	0 3	-
Decrease in stock	0 2	-
Decrease/(increase) in debtors	8 9	(4 2)
(Decrease)/increase in creditors	(9 5)	12 8
Cash inflow from operating activities	1 2	13 9

22. ANALYSIS OF NET DEBT

	At the beginning of the year £m	Cash (inflow)/ outflow from financing £m	Other non-cash adjustments £m	Translation differences £m	At the end of the year £m
Cash at bank and in hand	7 9	1 3	-	-	9 2
Debt due within one year	(1 4)	1 7	(2 3)	0 3	(1 7)
Debt due between 2 and 5 years	(14 4)	(2 0)	2 3	(1 0)	(15 1)
Debt due after 5 years	(106 6)	(11 6)	(9 2)	2 9	(124 5)
	(122 4)	(11 9)	(9 2)	2 2	(141 3)
Total	(114 5)	(10 6)	(9 2)	2 2	(132 1)

Cash at bank and in hand includes £4 7m held in a restructuring account which is restricted Under the terms of the financing agreements, the restructuring account is used for restructuring, refinancing and liquidity funding needs

23. RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemption granted by Financial Reporting Standard 8 *Related Party Disclosures*, para 3(c) not to disclose transactions with other group companies

24. CONTROLLING PARTIES

In the opinion of the directors, the Company and the Group are ultimately owned by investors whose investments are managed by HgCapital The directors do not consider there to be an ultimate controlling party

25. INVESTMENTS IN SUBSIDIARY AND ASSOCIATED UNDERTAKINGS

	Country of incorporation	Effective Holding
SUBSIDIARY UNDERTAKINGS - DIRECTLY OWNED		
SHL Group Holdings 2 Limited	UK	100%
SUBSIDIARY UNDERTAKINGS - INDIRECTLY OWNED		
SHL Group Holdings 3 Limited	UK	100%
SHL Group Holdings 4 Limited	UK	100%
SHL Group Limited	UK	100%
SHL People Solutions Group Holdings Limited	UK	100%
SHL Product Limited	UK	100%
SHL (UK) Limited	UK	100%
Saville & Holdsworth Group Limited	UK	100%
Saville & Holdsworth Limited	UK	100%
Saville & Holdsworth (UK) Limited	UK	100%
SHL USA Inc	USA	100%
Saville & Holdsworth International BV	Netherlands	100%
Savhold BV	Netherlands	100%
SHL France SAS	France	100%
Saville & Holdsworth Canada Inc	Canada	100%
Saville & Holdsworth Australia Pty Limited	Australia	100%
SHL Italy S r l	Italy	100%
SHL Hong Kong Limited	Hong Kong	100%
SHL New Zealand Limited	New Zealand	100%
SHL Singapore Pte Limited	Singapore	100%
SHL Belgium SA	Belgium	100%
SHL Special Projects SA	Belgium	100%
SHL Europe BV	Netherlands	100%
SHL Nederland BV	Netherlands	100%
Personeelparticipatie Psychotechniek Utrecht BV	Netherlands	100%
Saville & Holdsworth Deutschland GmbH	Germany	100%
Saville & Holdsworth (Ireland) Limited	Ireland	100%
SHL Sverige AB	Sweden	100%
SHL Norge A/S	Norway	100%
SHL Danmark A/S	Denmark	100%
SHL Technology Limited	Ireland	100%
Psychodata BV	Netherlands	100%
Saville & Holdsworth (South Africa) (Pty) Limited	South Africa	100%
SHL (India) Private Limited	India	100%
SHL AG	Switzerland	100%
SHL Iberia Consultoria de Recursos Humanos, SL (in liquidation)	Spain	100%

All of the above subsidiary undertakings are included in the consolidated accounts and carry on the Group's principal activity as described in the Directors' Report on pages 3 to 5 All undertakings have their principal operations in the country of incorporation, except SHL Product Limited which operates through a number of branches in European Union countries

SHL Product Asia Pacific Region Pte Limited, a fully owned subsidiary incorporated in Singapore, was liquidated on 12 October 2009