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The Compliance Company (GB) Limited

Directors' report and financial statements

Period ended 3rd January 2010
Registered number 06652188

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Directors' report and financial statements

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Directors' Report

The Directors are pleased to present their annual report and audited financial statements for the period 21st July 2008 to 3rd January 2010, this is the first period of trading. The Compliance Company (GB) Limited was incorporated on the 21st July 2008.

Principal activities and Review of Business

The principal activity of The Compliance Company (GB) Limited ("the Company") throughout the period was that of developing database management software and the provision of online training.

Results and dividends

The loss attributable to shareholders disclosed in the statement of comprehensive income is £4,768. The Directors do not recommend the payment of a dividend on ordinary shares at this time.

Directors

The directors who served during the period were:

David Hope (appointed 20/05/09)

Thomas Charlton (appointed 20/05/09)

Hannah Hope (appointed on incorporation 21/07/08, resigned 20/05/09)

Directors' interests

Thomas Charlton and David Hope have no interest in the share capital of the Company. Their interests in the share capital of Pinnacle Staffing Group plc, the ultimate parent, are disclosed in the financial statements of that company. Hannah Hope and David Hope both held 45 shares in the Company until 20th May 2009, when the entire share capital of the Company was purchased by Pinnacle Staffing Group Plc.

Directors' responsibilities

The Directors are responsible for preparing 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 prepared the Company financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. The financial statements are required by law to give a true and fair view of the state of affairs of the Company and of the profit or loss of that period.

In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent;
- state that the financial statements comply with IFRSs as adopted by the European Union;
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the company will continue in business, in which case there should be supporting assumptions or qualifications as necessary

The Directors are responsible for keeping proper accounting records that 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.

Having made appropriate enquiries of fellow Directors, each of the current Directors confirms that:

- to the best of their knowledge and belief, there is no information relevant to the preparation of this report of which the external auditors are unaware; and
- they have taken all the steps a director might reasonably be expected to have taken to be aware of the relevant audit information and to establish that the external auditors are aware of that information

Country of incorporation

The Company is incorporated in Great Britain and registered in England and Wales.

Charitable and political donations

No charitable or political donations were made during the year.

Employee involvement

The Company attaches considerable importance to ensuring that all its employees are provided with information concerning them as employees, particularly the economic and financial factors affecting the Company's performance and the market in which the Company operates. Involvement of employees in the Company's performance is also encouraged by the availability of performance-related bonuses. Employees are consulted on issues directly affecting them wherever practicable.

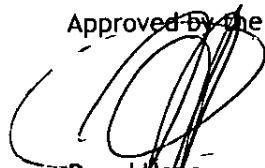
Creditor payment policy

It is the Company's policy to have appropriate terms and conditions for transactions with suppliers, ranging from standard terms and conditions to those which have been specifically negotiated, and that in the absence of dispute, payment will be made in accordance with those terms and conditions and conforming to the CBI Code of Best Practice, copies are available from the CBI at Centrepoint, 103 New Oxford Street, London.

Auditors

A resolution proposing the appointment of UHY Hacker Young, Chartered Accountants, as auditors of the Company and authorising the Board to determine their remuneration will be put to the Annual General Meeting.

Approved by the Board on 18th June 2010 and signed on its behalf by



David Hope
Director
The Compliance Company (GB) Limited
Registered number 06652188

Independent Auditors' Report to the members of The Compliance Company (GB) Limited

We have audited the financial statements of The Compliance Company (GB) Limited on pages 6 to 16 for the period ended 3rd January 2010. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

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 on page 2, 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 relevant 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

A description of the scope of an audit of financial statements is provided on the APB's web-site at www.frc.org.uk/apb/scope/UKNP.

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 3rd January 2010 and of its loss for the period then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; 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, 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.



Colin Wright (Senior Statutory Auditor)
For and on behalf of UHY Hacker Young
Chartered Accountants
Statutory Auditor

Quadrant House
4 Thomas More Square
London E1W 1YW

18th June 2010

Statement of Comprehensive Income

for the period ended 3rd January 2010

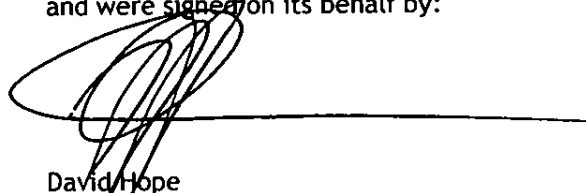
	Notes	Period to 03/01/10 £
Revenue		15,479
Cost of sales		(5,537)
Gross profit		9,942
Administrative expenses		(14,699)
Operating loss		(4,757)
Finance expense	3	(11)
Loss before taxation		(4,768)
Tax credit/(expense)	4	-
Loss for the period		(4,768)
Other comprehensive income		-
Loss attributable to equity shareholders		(4,768)
Total comprehensive loss for the period		(4,768)
Analysis:		
EBITDA		(3,957)
Amortisation of intangible assets		(800)
Operating loss		(4,757)

Statement of Financial Position

As at 3rd January 2010

	Note	03/01/10 £
Assets		
Non-current assets		
Intangible assets	6	5,596
Total non-current assets		5,596
Current assets		
Cash and cash equivalents		64
Total current assets		64
Total assets		5,660
Equity		
Ordinary shares	8	90
Retained losses	9	(4,768)
Total equity		(4,678)
Liabilities		
Current liabilities		
Trade and other payables	7	10,338
Total current liabilities		10,338
Total liabilities		10,338
Total equity and liabilities		5,660

The notes on pages 10 to 16 form an integral part of these financial statements
The financial statements on pages 6 to 9 were approved by the Board on 18th June 2010
and were signed on its behalf by:



David Hope
Director
The Compliance Company (GB) Limited
Registered number 06652188

Statement of Changes in Equity

for the period ended 3rd January 2010

	Share capital	Share premium	Retained losses	Total equity
	£	£	£	£
Period to 3rd January 2010				
Balance on incorporation at 21st July 2008	90	-	-	90
Total comprehensive loss for the period	-	-	(4,768)	(4,768)
Balance at 3rd January 2010	90	-	(4,768)	(4,678)

Statement of Cash Flow

for the period ended 3rd January 2010

	Period to 03/01/10 £
Operating activities	
Cash generated from operations (note 10)	6,381
Interest paid	(11)
Net cash generated from operating activities	6,370
Investing activities	
Purchase of intangible assets (note 6)	(6,396)
Net cash used in investing activities	(6,396)
Financing activities	
Proceeds from issuance of share capital	90
Net cash from investing activities	90
Net increase in cash and cash equivalents	64
Cash and cash equivalents at beginning of the period	-
Net increase in cash and cash equivalents	64
Cash and cash equivalents at end of the period	64

Notes to the Financial Statements

for the period ended 3rd January 2010

1 Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as endorsed by the European Union and International Financial Reporting Interpretations Committee (IFRIC) interpretations and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS that are applicable to the financial statements for the period ending 3rd January 2010.

In the notes to the financial statements, "2009" refers to the period ended 3rd January 2010. The accounting reference date of the Company is 31st December. These financial statements are however presented for the trading period to 3rd January 2010.

These financial statements have been prepared under the historical cost convention.

A summary of the significant accounting policies used in the preparation of these financial statements under IFRS is provided in note 2 below.

Going concern

The financial statements have been prepared on a going concern basis notwithstanding that the Company has net liabilities of £4,678 at the year end. Confirmation has been received from the parent company that they will continue to support the Company for the foreseeable future

Estimates and judgements

The preparation of accounts in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the accounts and the reported amounts of revenues and expenses during the reported period. These estimates are based on historical experience and various other assumptions that management and directors believe are reasonable under the circumstances, the results of which form the basis for making judgements about the carrying value of assets and liabilities that are not readily apparent from other sources.

Areas comprising critical judgements that may significantly affect the Company's earnings and financial position are revenue collection, valuation of intangibles including goodwill, income taxes and, property related items, all of which are discussed in the respective notes

Revenue

The Company derives its revenues from the provision of online training

Other intangible assets

Other intangible assets represents the capitalised value of the compliance database databases are held at cost and amortised over a period equal to the estimated useful life of the asset. The carrying value is reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable.

Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held at call with banks, and any bank overdrafts

Trade payables

Trade payables are recognised at fair value and subsequently at amortised cost using the effective interest rate method.

Share capital

Ordinary shares are classed as equity. Incremental costs directly attributable to the issue of new shares or options are shown as a deduction, net of tax, from the proceeds

Notes to the Financial Statements

for the period ended 3rd January 2010

2 Accounting policies continued

Corporation tax

The amount included in the statement of comprehensive income is based on pre-tax reported profit or loss and is calculated at current tax rates, taking into account temporary differences and the likelihood of realisation of deferred tax assets and liabilities.

New IFRS standards and interpretations not applied

At the date of approval of these financial statements, the following Standards and Interpretations which may be applicable to the Company, but have not yet been applied in these financial statements, were in issue but not yet effective:

<i>International Financial Reporting Standards (IFRS/IAS)</i>	<i>Effective date - financial periods beginning on or after</i>
IAS 39 Financial Instruments: Recognition and measurement (Amendment)	1 July 2009
IFRS 3 Business Combinations (Revised)	1 July 2009
IAS 27 Consolidated and Separate Financial Statements (Revised)	1 July 2009

The Company does not anticipate that the adoption of these standards will have a material effect on its financial statements in the period of initial adoption.

Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

3 Finance expense

	2009 £
Finance expense	
Bank charges	11
Total finance expense	11

Notes to the Financial Statements

for the period ended 3rd January 2010

4 Taxation

	2009 £
Corporation tax on taxable profit/(loss) for the period	-
(Over)/Under-provision in respect of prior period	-
Current tax (credit)/charge	-
Deferred tax (credit)/charge for the period	-
Deferred tax (credit)/charge	-
Tax (credit)/expense for the period	-

The effective tax rate for the period is 0% of corporation tax for the UK.

	2009 £
Loss at the standard rate of corporation tax at 21%	(1,001)
Expenses not deductible	168
Unrelieved current year tax losses	833
Tax (credit)/expense for the period	-

5 Dividends

The Directors do not propose a final dividend for the period ended 3rd January 2010 a resolution to this effect will be tabled at the Annual General Meeting.

Notes to the Financial Statements

for the period ended 3rd January 2010

6 Intangible assets

Intangible assets	Temporary Staff Databases	2009 £
Cost		
At 21st July 2008	-	-
Additions	6,396	6,396
At 3rd January 2010	6,396	6,396
Amortisation		
At 21st July 2008	-	-
Charge for the period	800	800
At 3rd January 2010	800	800
Net book amount At 3rd January 2010	5,596	5,596

The compliance database refers to the database management software which specifically manages and monitors the compliance status of healthcare staff in line with industry requirements. The database is amortised over a period equal to the useful life, which is estimated to be five years.

The Company carries out reviews of its intangible assets on an annual basis to determine whether events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. If any such indication exists, the recoverable amount of the asset is estimated as either the higher of the net selling price, replacement cost, or value in use, the resultant loss (the difference between the carrying amount and the recoverable amount) is recorded as a charge to the statement of comprehensive income. The calculation of replacement costs is based on the current value of overhead costs attributable to database management. The value in use is calculated as the present value of the estimated future cash flows expected to result from the use of assets in the business being evaluated. In order to determine the present value of estimated future cash flows, the Company uses a discount rate of 11% based on its estimated weighted average cost of capital. Estimated future cash flows used in the impairment calculations represent management's best view of likely market conditions including selling prices, volumes and employment costs over a period of five years. Beyond this, the UK long-term growth rate of 2% has been assumed. Actual cash flows may differ significantly from these estimates due to the effect of changes in market conditions or to subsequent decisions on the activities of the business. These differences may have a material impact on the asset values, impairments and amortisation expense reported in future periods.

Notes to the Financial Statements

for the period ended 3rd January 2010

7 Trade and other payables

	2009 £
Amounts owed to Group companies	10,331
Other UK tax and social security	7
Total current liabilities	10,338

8 Share capital

	Number of £1 shares	Ordinary shares £
On incorporation at 21st July 2008	90	90
At 3rd January 2010	90	90

The total authorised number of ordinary shares is 10,000 with a par value of £1 per share.
All issued shares are fully paid.

9 Reserves

	Retained losses 2009 £
At 21st July 2008	-
Loss for the period	(4,768)
At 3rd January 2010	(4,768)

Notes to the Financial Statements

for the period ended 3rd January 2010

10 Notes to the cash flow statements

	2009 £
Reconciliation of loss to cash generated from operations	
Operating loss	(4,757)
Adjustments for	
Amortisation of intangibles	800
Changes in working capital	
Increase in trade and other payables	10,338
Cash generated from operations	6,381

11 Employee benefit expense

Hannah Hope, a director of the Company until 20 May 2009, was the only employee during the period.

	2009 £
Wages and salaries	8,477
Social security costs	548
	9,025

12 Expenses by nature

	2009 £
The loss before taxation is stated after charging:	
Amortisation of intangible assets (note 6)	800
	800

13 Compensation of directors and key management

Thomas Charlton and David Hope are also directors of the parent company, Pinnacle Staffing Group Plc, and their emoluments are disclosed in that company's Annual report and Accounts, specifically within the Remuneration Report and Notes to the Financial Statements.

The remuneration of Hannah Hope is shown in note 11

Notes to the Financial Statements

for the period ended 3rd January 2010

14 Auditor remuneration

	2009 £
Fees payable to the Company's auditor	2
	<u>2</u>

15 Related party transactions

The Company had related party transactions with the parent company, Pinnacle Staffing Group Plc, during the period. £10,338 is due to the parent, as the parent company settled liabilities on behalf of the company.

16 Ultimate Parent Undertaking

The ultimate parent undertaking is Pinnacle Staffing Group Plc which is incorporated in Great Britain and registered in England and Wales. The parent undertaking of the smallest and largest group for which group accounts are prepared and in which the results of the company are consolidated is Pinnacle Staffing Group Plc.

Copies of the financial statements of Pinnacle Staffing Group Plc can be obtained from its registered office at 1 Wood Street, London, EC2V 7WS