

REGISTERED NUMBER: SC335070 (Scotland)

**REPORT OF THE DIRECTORS AND
UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012
FOR
COMPLIANCE FIRST LIMITED**

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	COMPANIES HOUSE	

COMPLIANCE FIRST LIMITED (REGISTERED NUMBER: SC335070)

**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

	Page
Company Information	1
Report of the Directors	2
Profit and Loss Account	3
Balance Sheet	4
Notes to the Financial Statements	6

COMPLIANCE FIRST LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2012**

DIRECTORS:

K E Davy
N M Stevens
S C Turvey
J Laing

SECRETARY:

R J Butcher

REGISTERED OFFICE:

Building 2 Kirkhill House
Broom Road East
Newton Mearns
Glasgow
G77 5LL

REGISTERED NUMBER:

SC335070 (Scotland)

ACCOUNTANTS:

Revell Ward LLP
7th Floor
30 Market Street
Huddersfield
HD1 2HG

BANKERS:

Yorkshire Bank
40 New Street
Huddersfield
HD1 2BT

COMPLIANCE FIRST LIMITED (REGISTERED NUMBER: SC335070)

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2012**

The directors present their report with the financial statements of the company for the year ended 31 December 2012.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of compliance consultants.


DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2012 to the date of this report.

K E Davy
N M Stevens
S C Turvey
J Laing

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:


.....
N M Stevens - Director

Date: 13/5/13

COMPLIANCE FIRST LIMITED (REGISTERED NUMBER: SC335070)

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2012**

	Notes	31.12.12 £	31.12.11 £
TURNOVER		1,805,744	1,536,656
Administrative expenses		<u>1,159,823</u>	<u>1,025,987</u>
OPERATING PROFIT and PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	645,921	510,669
Tax on profit on ordinary activities	4	<u>2,381</u>	<u>2,692</u>
PROFIT FOR THE FINANCIAL YEAR		<u><u>643,540</u></u>	<u><u>507,977</u></u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous year.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profits for the current year or previous year.

The notes form part of these financial statements

COMPLIANCE FIRST LIMITED (REGISTERED NUMBER: SC335070)

**BALANCE SHEET
31 DECEMBER 2012**

	Notes	31.12.12 £	£	31.12.11 £	£
FIXED ASSETS					
Tangible assets	6		3,664		4,886
Investments	7		<u>1</u>		<u>1</u>
			3,665		4,887
CURRENT ASSETS					
Debtors	8	127,047		138,151	
Cash at bank and in hand		<u>880,361</u>		<u>788,767</u>	
		1,007,408		926,918	
CREDITORS					
Amounts falling due within one year	9	<u>612,778</u>		<u>533,410</u>	
NET CURRENT ASSETS			<u>394,630</u>		<u>393,508</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			398,295		398,395
PROVISIONS FOR LIABILITIES	11		<u>100</u>		<u>200</u>
NET ASSETS			<u>398,195</u>		<u>398,195</u>

The notes form part of these financial statements

COMPLIANCE FIRST LIMITED (REGISTERED NUMBER: SC335070)

BALANCE SHEET - continued
31 DECEMBER 2012

	Notes	31.12.12 £	£	31.12.11 £	£
CAPITAL AND RESERVES					
Called up share capital	12		1		1
Profit and loss account	13		<u>398,194</u>		<u>398,194</u>
SHAREHOLDERS' FUNDS	17		<u>398,195</u>		<u>398,195</u>

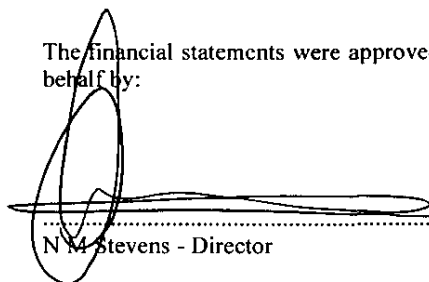
The company is entitled to exemption from audit under Section 479A of the Companies Act 2006 relating to subsidiary companies for the year ended 31 December 2012.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2012 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The financial statements were approved by the Board of Directors on 13/5/13 and were signed on its behalf by:


.....
N M Stevens - Director

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The company has continued to trade profitably in the current year and has a positive cash position. No reliance is placed on bank facilities. The group has net assets of £16.4m and will continue to offer its support should this be necessary.

The directors have considered the current position and budgets of the company and the group, and after making appropriate enquiries they have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Accounting convention

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

Preparation of consolidated financial statements

The financial statements contain information about Compliance First Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 400 of the Companies Act 2006 from the requirements to prepare consolidated financial statements as it and its subsidiary undertaking are included by full consolidation in the consolidated financial statements of its parent, Simply Biz plc, a company registered in England and Wales.

Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures, fittings & equipment	- 25% on reducing balance
Computer equipment	- 25% on reducing balance

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date. The deferred tax balance has not been discounted.

Leasing

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

Investments

Fixed asset investments are stated at cost less provision for diminution in value.

2. STAFF COSTS

There were no employees during the year apart from the directors. All wages are paid by the parent company and recharged to the company via management charges.

COMPLIANCE FIRST LIMITED (REGISTERED NUMBER: SC335070)

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2012**

3. OPERATING PROFIT

The operating profit is stated after charging:

	31.12.12	31.12.11
	£	£
Hire of plant and machinery	3,509	4,257
Other operating leases	21,000	21,000
Depreciation - owned assets	1,222	1,629
Auditors' remuneration	-	6,000
Auditors' remuneration for non audit work	<u>-</u>	<u>6,000</u>
Directors' remuneration	102,354	83,225
Directors' pension contributions to money purchase schemes	<u>2,030</u>	<u>-</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>1</u>	<u>-</u>
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The company has historically been audited and is included in consolidated accounts which are required to comply with the statutory disclosure requirement for non audit remuneration.

4. TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows:

	31.12.12	31.12.11
	£	£
Current tax:		
UK corporation tax	2,609	2,892
Adjustment for prior years	<u>(128)</u>	<u>-</u>
Total current tax	2,481	2,892
Deferred tax	<u>(100)</u>	<u>(200)</u>
Tax on profit on ordinary activities	<u>2,381</u>	<u>2,692</u>

COMPLIANCE FIRST LIMITED (REGISTERED NUMBER: SC335070)

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2012**

4. TAXATION - continued

Factors affecting the tax charge

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	31.12.12 £	31.12.11 £
Profit on ordinary activities before tax	<u>645,921</u>	<u>510,669</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2011 - 20%)	129,184	102,134
Effects of:		
Expenses not deductible for tax purposes	164	900
Capital allowances for period less than depreciation	99	129
Other timing differences leading to an increase in tax	-	35
Utilisation of group tax losses	(126,838)	(100,306)
Adjustment to previous periods	<u>(128)</u>	<u>-</u>
Current tax charge	<u>2,481</u>	<u>2,892</u>

5. DIVIDENDS

	31.12.12 £	31.12.11 £
Ordinary share of £1 Final	<u>643,540</u>	<u>507,977</u>

6. TANGIBLE FIXED ASSETS

	Fixtures, fittings & equipment £	Computer equipment £	Totals £
COST			
At 1 January 2012 and 31 December 2012	<u>5,055</u>	<u>10,390</u>	<u>15,445</u>
DEPRECIATION			
At 1 January 2012	3,456	7,103	10,559
Charge for year	<u>400</u>	<u>822</u>	<u>1,222</u>
At 31 December 2012	<u>3,856</u>	<u>7,925</u>	<u>11,781</u>
NET BOOK VALUE			
At 31 December 2012	<u>1,199</u>	<u>2,465</u>	<u>3,664</u>
At 31 December 2011	<u>1,599</u>	<u>3,287</u>	<u>4,886</u>

COMPLIANCE FIRST LIMITED (REGISTERED NUMBER: SC335070)

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2012**

7. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
COST	
At 1 January 2012 and 31 December 2012	<u>1</u>
NET BOOK VALUE	
At 31 December 2012	<u>1</u>
At 31 December 2011	<u>1</u>

The company's investments at the balance sheet date in the share capital of companies include the following:

Compliance 24/7 Limited
Nature of business: Dormant

	% holding
Class of shares:	
Ordinary	100.00

8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.12	31.12.11
	£	£
Trade debtors	112,943	112,017
Amounts owed by group undertakings	7,088	19,811
Prepayments and accrued income	<u>7,016</u>	<u>6,323</u>
	<u>127,047</u>	<u>138,151</u>

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.12	31.12.11
	£	£
Trade creditors	20,197	13,576
Amounts owed to group undertakings	532,142	482,022
Tax	2,609	2,892
Social security and other taxes	21,133	8,951
Accruals and deferred income	<u>36,697</u>	<u>25,969</u>
	<u>612,778</u>	<u>533,410</u>

COMPLIANCE FIRST LIMITED (REGISTERED NUMBER: SC335070)

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2012**

10. OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid within one year:

	Land and buildings		Other operating leases	
	31.12.12	31.12.11	31.12.12	31.12.11
	£	£	£	£
Expiring:				
Within one year	15,750	15,750	-	-
Between one and five years	<u>-</u>	<u>-</u>	<u>2,183</u>	<u>2,183</u>
	<u>15,750</u>	<u>15,750</u>	<u>2,183</u>	<u>2,183</u>

11. PROVISIONS FOR LIABILITIES

	31.12.12	31.12.11
	£	£
Deferred tax	<u>100</u>	<u>200</u>
		Deferred tax
		£
Balance at 1 January 2012		200
Profit and loss account		<u>(100)</u>
Balance at 31 December 2012		<u>100</u>

The deferred tax balance is due to accelerated capital allowances.

12. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			31.12.12	31.12.11
Number:	Class:	Nominal value:	£	£
1	Ordinary	£1	<u>1</u>	<u>1</u>

COMPLIANCE FIRST LIMITED (REGISTERED NUMBER: SC335070)

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2012**

13. RESERVES

	Profit and loss account £
At 1 January 2012	398,194
Profit for the year	643,540
Dividends	<u>(643,540)</u>
At 31 December 2012	<u>398,194</u>

14. ULTIMATE PARENT COMPANY

Simply Biz plc is regarded by the directors as being the company's ultimate parent company.

Simply Biz plc prepares consolidated financial statements and copies can be obtained from Companies House.

15. RELATED PARTY DISCLOSURES

The company has taken advantage of the exemption in Financial Reporting Standard Number 8 from the requirement to disclose transactions with group companies on the grounds that the company is a wholly owned subsidiary.

New Model Business Academy Limited

A fellow subsidiary company

During the year Compliance First Limited collected income of £6,894 (2011 - £8,302) on behalf of New Model Business Academy Limited. Repayments of £5,969 (2011 - £22,401) were made to New Model Business Academy Limited during the year.

	31.12.12 £	31.12.11 £
Amount due to related party at the balance sheet date	<u>2,376</u>	<u>1,451</u>

16. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is K E Davy.

COMPLIANCE FIRST LIMITED (REGISTERED NUMBER: SC335070)

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2012

17. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31.12.12	31.12.11
	£	£
Profit for the financial year	643,540	507,977
Dividends	(643,540)	(507,977)
Opening shareholders' funds	<u>398,195</u>	<u>398,195</u>
Closing shareholders' funds	<u>398,195</u>	<u>398,195</u>