

REGISTERED NUMBER: SC335070 (Scotland)

**REPORT OF THE DIRECTORS AND
UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013
FOR
COMPLIANCE FIRST LIMITED**

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COMPLIANCE FIRST LIMITED (REGISTERED NUMBER: SC335070)

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FOR THE YEAR ENDED 31 DECEMBER 2013**

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COMPLIANCE FIRST LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2013**

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 Meams
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 2013**

The directors present their report with the financial statements of the company for the year ended 31 December 2013.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2013 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: 27th May 2014

COMPLIANCE FIRST LIMITED (REGISTERED NUMBER: SC335070)**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2013**

	Notes	31.12.13 £	31.12.12 £
TURNOVER		2,059,151	1,805,744
Administrative expenses		<u>1,220,204</u>	<u>1,159,823</u>
OPERATING PROFIT	3	838,947	645,921
Interest receivable and similar income	4	<u>391</u>	<u>-</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		839,338	645,921
Tax on profit on ordinary activities	5	<u>2,297</u>	<u>2,381</u>
PROFIT FOR THE FINANCIAL YEAR		<u><u>837,041</u></u>	<u><u>643,540</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 2013**

	Notes	31.12.13 £	£	31.12.12 £	£
FIXED ASSETS					
Tangible assets	7		-		3,664
Investments	8		1		1
			<u>1</u>		<u>3,665</u>
CURRENT ASSETS					
Debtors	9	231,041		127,047	
Cash at bank and in hand		<u>227,705</u>		<u>880,361</u>	
		458,746		1,007,408	
CREDITORS					
Amounts falling due within one year	10	<u>60,552</u>		<u>612,778</u>	
NET CURRENT ASSETS			<u>398,194</u>		<u>394,630</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			398,195		398,295
PROVISIONS FOR LIABILITIES	12		-		100
NET ASSETS			<u><u>398,195</u></u>		<u><u>398,195</u></u>

The notes form part of these financial statements

COMPLIANCE FIRST LIMITED (REGISTERED NUMBER: SC335070)**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2013****12. PROVISIONS FOR LIABILITIES - continued**

	Deferred tax £
Balance at 1 January 2013	100
Profit and loss account	(100)
Balance at 31 December 2013	<u>-</u>

The deferred tax balance was due to accelerated capital allowances.

13. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal value: £1	31.12.13 £	31.12.12 £
Number:	Class:			
1	Ordinary		<u>1</u>	<u>1</u>

14. RESERVES

	Profit and loss account £
At 1 January 2013	398,194
Profit for the year	837,041
Dividends	(837,041)
At 31 December 2013	<u>398,194</u>

15. ULTIMATE PARENT COMPANY

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

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

16. CONTINGENT LIABILITIES

The company has provided a guarantee against the bank loans of Simply Biz Limited, the ultimate parent company. The total amount outstanding at 31 December 2013 amounted to £18,061,009 (2012 - £Nil).

17. 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.

COMPLIANCE FIRST LIMITED (REGISTERED NUMBER: SC335070)**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2013****New Model Business Academy Limited**
A fellow subsidiary company

During the year Compliance First Limited collected income of £7,722 (2012 - £6,894) on behalf of New Model Business Academy Limited. Repayments of £4,266 (2012 - £5,969) were made to New Model Business Academy Limited during the year.

	31.12.13	31.12.12
	£	£
Amount due to related party at the balance sheet date	<u>5,832</u>	<u>2,376</u>

Verbatim Portfolio Management Limited
A fellow subsidiary company

During the year Compliance First Limited paid expenses of £2,471 (2012 - £Nil) on behalf of Verbatim Portfolio Management Limited.

	31.12.13	31.12.12
	£	£
Amount due from related party at the balance sheet date	<u>2,471</u>	<u>-</u>

18. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is K E Davy.

19. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31.12.13	31.12.12
	£	£
Profit for the financial year	837,041	643,540
Dividends	(837,041)	(643,540)
Opening shareholders' funds	<u>398,195</u>	<u>398,195</u>
Closing shareholders' funds	<u>398,195</u>	<u>398,195</u>

COMPLIANCE FIRST LIMITED (REGISTERED NUMBER: SC335070)**BALANCE SHEET - continued
31 DECEMBER 2013**

	Notes	31.12.13 £	£	31.12.12 £	£
CAPITAL AND RESERVES					
Called up share capital	13		1		1
Profit and loss account	14		398,194		398,194
SHAREHOLDERS' FUNDS	19		<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 2013.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2013 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 27th May 2014 and were signed on its behalf by:



N M Stevens - Director

The notes form part of these financial statements

COMPLIANCE FIRST LIMITED (REGISTERED NUMBER: SC335070)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

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 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 Limited, 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 2013****3. OPERATING PROFIT**

The operating profit is stated after charging:

	31.12.13	31.12.12
	£	£
Hire of plant and machinery	4,132	3,509
Other operating leases	21,000	21,000
Depreciation - owned assets	916	1,222
Loss on disposal of fixed assets	2,748	-
	<u>27,796</u>	<u>26,731</u>
Directors' remuneration	<u>81,584</u>	<u>102,354</u>

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

Money purchase schemes	<u>1</u>	<u>1</u>
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Directors' pension contributions of £2,745 (2012 - £2,030) were paid to money purchase schemes in the year.

4. INTEREST RECEIVABLE AND SIMILAR INCOME

	31.12.13	31.12.12
	£	£
Bank interest	<u>391</u>	<u>-</u>

5. TAXATION**Analysis of the tax charge**

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

	31.12.13	31.12.12
	£	£
Current tax:		
UK corporation tax	2,400	2,609
Adjustment for prior years	(3)	(128)
Total current tax	<u>2,397</u>	<u>2,481</u>
Deferred tax	<u>(100)</u>	<u>(100)</u>
Tax on profit on ordinary activities	<u>2,297</u>	<u>2,381</u>

COMPLIANCE FIRST LIMITED (REGISTERED NUMBER: SC335070)**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2013****5. 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:

	31.12.13	31.12.12
	£	£
Profit on ordinary activities before tax	<u>839,338</u>	<u>645,921</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2012 - 20%)	167,868	129,184
Effects of:		
Expenses not deductible for tax purposes	2,327	164
Capital allowances for period less than depreciation an increase in tax	89	99
Utilisation of group tax losses	(167,884)	(126,838)
Adjustment to previous periods	(3)	(128)
Current tax charge	<u>2,397</u>	<u>2,481</u>

6. DIVIDENDS

	31.12.13	31.12.12
	£	£
Ordinary share of £1		
Final	<u>837,041</u>	<u>643,540</u>

COMPLIANCE FIRST LIMITED (REGISTERED NUMBER: SC335070)**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2013****7. TANGIBLE FIXED ASSETS**

	Fixtures, fittings & equipment £	Computer equipment £	Totals £
COST			
At 1 January 2013	5,055	10,390	15,445
Disposals	(5,055)	(10,390)	(15,445)
At 31 December 2013	-	-	-
DEPRECIATION			
At 1 January 2013	3,856	7,925	11,781
Charge for year	300	616	916
Eliminated on disposal	(4,156)	(8,541)	(12,697)
At 31 December 2013	-	-	-
NET BOOK VALUE			
At 31 December 2013	-	-	-
At 31 December 2012	1,199	2,465	3,664

8. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
COST	
At 1 January 2013 and 31 December 2013	1
NET BOOK VALUE	
At 31 December 2013	1
At 31 December 2012	1

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

Class of shares:	% holding
Ordinary	100.00

COMPLIANCE FIRST LIMITED (REGISTERED NUMBER: SC335070)**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2013****9. DEBTORS**

	31.12.13	31.12.12
	£	£
Amounts falling due within one year:		
Trade debtors	160,109	112,943
Amounts owed by group undertakings	61,226	7,088
Prepayments and accrued income	7,235	7,016
	<u>228,570</u>	<u>127,047</u>
Amounts falling due after more than one year:		
Amounts owed by group undertakings	<u>2,471</u>	<u>-</u>
Aggregate amounts	<u>231,041</u>	<u>127,047</u>

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.13	31.12.12
	£	£
Trade creditors	16,056	20,197
Amounts owed to group undertakings	5,932	532,142
Tax	2,400	2,609
Social security and other taxes	16,601	21,133
Accruals and deferred income	19,563	36,697
	<u>60,552</u>	<u>612,778</u>

11. OPERATING LEASE COMMITMENTS

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

	Land and buildings		Other operating leases	
	31.12.13	31.12.12	31.12.13	31.12.12
	£	£	£	£
Expiring:				
Within one year	-	15,750	-	-
Between one and five years	-	-	-	2,183
	<u>-</u>	<u>15,750</u>	<u>-</u>	<u>2,183</u>

12. PROVISIONS FOR LIABILITIES

	31.12.13	31.12.12
	£	£
Deferred tax	<u>-</u>	<u>100</u>