

SAI Global CIS UK Limited

Report and Financial Statements

30 June 2012

TUESDAY



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COMPANIES HOUSE

Directors

A Scotton
G Richardson
T Whipple

Secretaries

M Patel
H Myllyoja

Auditors

Ernst & Young LLP
400 Capability Green
Luton LU1 3LU

Bankers

Barclays Bank Plc
Level 27
1 Churchill Place
London E14 5HP

Solicitors

Shoosmiths
Waterfront House
Waterfront Plaza
35 Station Road
Nottingham NG2 3DQ

Registered Office

Partis House
Davy Avenue
Knowlhill
Milton Keynes MK1 9ES

Registered No 07428352

Directors' report

The directors present their report and financial statements for the year ended 30 June 2012

Results and dividends

The loss for the year after taxation amounted to £381,497 (8 months ended 30 June 2011 – loss of £426,925) The directors do not recommend a final dividend (8 months ended 30 June 2011 – £nil)

Principal activity and review of the business

The principal activity of the company during the period is that of a parent undertaking. The primary subsidiaries for which services are provided are comprised of the businesses located in the United Kingdom, referred to as the 'UK Group'.

The loss for the year and the financial position at the year end were considered satisfactory by the directors. Management does not foresee a significant change of the business of the company in the foreseeable future.

Key performance indicators (KPIs)

Given the straightforward nature of its business, the company's directors are of the opinion that KPIs are not necessary for an understanding of the development, performance or position of the business.

Business environment

The year ended 30 June 2012 provided a stable trading environment for all subsidiaries.

Principal risks and uncertainties

The management of the business and the execution of the company's strategy are subject to a number of risks.

Management reviews risks formally and appropriate processes are put in place to monitor and mitigate them.

The key risks affecting the company are set out below.

Resources

The company needs additional managers to support the growth of its subsidiaries. To mitigate this risk the appropriate personnel are being hired.

Directors' report (continued)

Financial risk management objectives and policies

The company's principal financial instruments continue to comprise of cash deposits and long-term loans. The main purpose of these financial instruments is to finance the UK Group's operations. The UK Group has various other financial assets and liabilities such as trade debtors and trade creditors, which arise directly from its operations.

It is, and has been throughout the period in review, the UK Group's policy that no trading in financial instruments be undertaken.

The main risks arising from the UK Group's financial instruments are cash flow interest rate risk, liquidity risk, foreign currency risk and credit risk.

Cash flow interest rate risk

Exposure to the risk of changes in market interest rates relates to cash deposits and loans, some of which have floating interest rates. The company utilises an interest rate swap to manage its exposure to interest rate risk.

Liquidity risk

The UK Group aims to maintain a balance between continuity of funding and flexibility by ensuring that sufficient borrowing facilities are in place by reference to forecast debt levels.

Foreign currency risk

The UK Group has transactional currency exposures arising from sales and purchases by subsidiaries in currencies other than their functional currency. There is no further foreign exchange risk other than those through intercompany transactions.

Credit risk

The UK Group extends credit only to recognised, creditworthy third parties. Trade debtor balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

Going concern

The company has net current liabilities of £27,258,297 and net liabilities of £807,422. The company has support from its ultimate parent undertaking, SAI Global Limited. Therefore, the directors believe it is appropriate to prepare the financial statements on the going concern basis.

Directors

The directors who served the company during the year were as follows:

A Scotton

G Richardson

T Whipple appointed 4 September 2012

A Wyszowski resigned from the Board on 4 September 2012

Directors' report (continued)

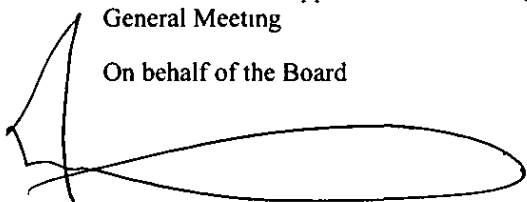
Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditors

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting.

On behalf of the Board

A handwritten signature in black ink, consisting of a stylized 'G' followed by a long horizontal oval stroke.

Geoff Richardson
Director

21 MAR 2013

Statement of directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, 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 proper accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and 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 SAI Global CIS UK Limited

We have audited the financial statements of SAI Global CIS UK Limited for the year ended 30 June 2012 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes and the related notes 1 to 17. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the directors' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 June 2012 and of its 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.

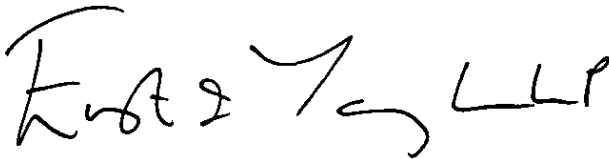
Independent auditors' report (continued)

to the members of SAI Global CIS UK Limited

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

A handwritten signature in black ink, appearing to read 'Fraser Bull', followed by the letters 'LLP'.

Fraser Bull (Senior Statutory Auditor)
For and on behalf of Ernst & Young LLP (Statutory Auditor)
Luton

21 MAR 2013

Profit and loss account

for the year ended 30 June 2012

		<i>Year ended 30 June 2012</i>	<i>8 months ended 30 June 2011</i>
	<i>Notes</i>	<i>£</i>	<i>£</i>
Administrative expenses		(387,559)	(152,087)
Operating loss	2	(387,559)	(152,087)
Income from shares in group undertaking	3	876,128	230,000
Interest payable and similar charges	6	(870,066)	(504,838)
Loss on ordinary activities before taxation		(381,497)	(426,925)
Tax	7	-	-
Loss for the financial year	12	<u>(381,497)</u>	<u>(426,925)</u>

All amounts relate to continuing activities

Statement of total recognised gains and losses

for the year ended 30 June 2012

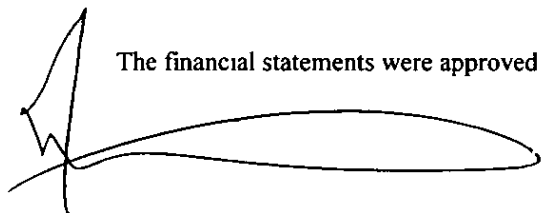
There are no recognised gains or losses other than the loss attributable to the shareholders of the company of £381,497 in the year ended 30 June 2012 (8 months ended 30 June 2011 – loss of £426,925)

Balance sheet

at 30 June 2012

	Notes	2012 £	2011 £
Fixed assets			
Investments	8	26,450,875	26,450,875
Current assets			
Cash at bank		14,628	6,516
Creditors amounts falling due within one year	9	(27,272,925)	(11,284,661)
Net current liabilities		(27,258,297)	(11,278,145)
Total assets less current liabilities		(807,422)	15,172,730
Creditors amounts falling due after more than one year	10	-	(15,598,655)
Net liabilities		(807,422)	(425,925)
Capital and reserves			
Called up share capital	11	1,000	1,000
Profit and loss account	12	(808,422)	(426,925)
Shareholders' funds	13	(807,422)	(425,925)

The financial statements were approved by the Board and signed on its behalf by



Geoff Richardson

Director

21 MAR 2013

Notes to the financial statements

at 30 June 2012

1. Accounting policies

Basis of preparation

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

Going concern

The company has net current liabilities of £27,258,297 and net liabilities of £807,422 with bank loans due for repayment/refinancing in February 2013. In order to meet these liabilities as they fall due the company has obtained the support of its parent entity, SAI Global Limited, who will provide such support for at least 12 months from the approval of these financial statements

Based on this support the directors have prepared the financial statements on a going concern basis

Group financial statements

The company has claimed exemption under section 401 of the Companies Act 2006 from the preparation of group financial statements on the grounds that the parent undertaking, SAI Global Limited, publishes group financial statements under International Financial Reporting Standards (IFRS) which include SAI Global CIS UK Limited. The financial statements give information about the company as an individual undertaking and not about its group

Statement of cash flows

The company is a wholly owned subsidiary of SAI Global Limited and is included in the group financial statements of SAI Global Limited, which are publicly available. Consequently, the company has taken advantage of the exemption from preparing a statement of cash flows under the terms of FRS 1 (revised 1996)

Investments

Investments are stated at cost less any provision for impairment in value

The carrying values of fixed asset investments are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable

Deferred taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more, tax, with the following exceptions

- Provision is made for deferred taxation that would arise on remittance of the retained earnings of subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable
- Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

Notes to the financial statements

at 30 June 2012

1. Accounting policies (continued)

Derivative instruments

The company uses an interest rate swap on its debt to manage interest rate exposures. The company's criteria for interest rate swap is

- The instrument must be related to an asset or liability, and
- It must change the character of the interest rate by converting a variable rate to a fixed rate or vice versa

Amounts payable or receivable in respect of interest rate swap agreements used to manage interest rate exposure are recognised as adjustments to periodic interest expense over the duration of the contracts

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date

All differences are taken to the profit and loss account

2. Operating loss

This is stated after charging

	<i>Year ended 30 June 2012</i>	<i>8 months ended 30 June 2011</i>
	£	£
Net loss on foreign currency translation	<u>155,595</u>	<u>21,884</u>

Audit fees have been borne by the ultimate parent undertaking, SAI Global Limited. Had the company incurred the audit fee, this would have been £3,000 (2011: £3,000). There were no non-audit services provided in the year.

3. Income from shares in group undertakings

	<i>Year ended 30 June 2012</i>	<i>8 months ended 30 June 2011</i>
	£	£
Dividend income	<u>876,128</u>	<u>230,000</u>

4. Directors' remuneration

During the current year, the directors were remunerated by the parent undertaking for services provided as directors of the group. The parent undertaking levies a management charge to each group company for all central overheads incurred during the period in respect of the group. It is not possible to make an accurate apportionment of these charges in respect of directors' remuneration recharged, although the amount in relation to such remuneration would be incidental to the company.

Notes to the financial statements

at 30 June 2012

5. Staff costs

The average monthly number of employees during the year was made up as follows

	<i>Year ended 30 June 2012</i>	<i>8 months ended 30 June 2011</i>
	<i>No</i>	<i>No</i>
Office and management	<u>3</u>	<u>3</u>

6. Interest payable and similar charges

	<i>Year ended 30 June 2012</i>	<i>8 months ended 30 June 2011</i>
	<i>£</i>	<i>£</i>
Bank interest payable	<u>870,066</u>	<u>504,838</u>

7. Tax

(a) Tax on loss on ordinary activities

The tax charge is made up as follows

	<i>Year ended 30 June 2012</i>	<i>8 months ended 30 June 2011</i>
	<i>£</i>	<i>£</i>
Current tax:		
UK corporation tax on the loss for the year	<u>-</u>	<u>-</u>
Total current tax (note 7(b))	<u>-</u>	<u>-</u>

Notes to the financial statements

at 30 June 2012

7. Tax (continued)

(b) Factors affecting tax charge for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 25.5% (8 months ended 30 June 2011 – 27.5%). The differences are explained below

	<i>Year ended 30 June 2012</i>	<i>8 months ended 30 June 2011</i>
	£	£
Loss on ordinary activities before tax	<u>(381,497)</u>	<u>(426,925)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 25.5% (8 months ended 30 June 2011 – 27.5%)	(97,282)	(117,404)
<i>Effects of</i>		
Permanent differences	(223,412)	(63,250)
Group relief surrendered	<u>320,694</u>	<u>180,654</u>
Current tax for the year (note 7(a))	<u>-</u>	<u>-</u>

8. Investments

	<i>Subsidiary undertakings</i>
	£
Cost	
At 30 June 2011 and 30 June 2012	<u>26,450,875</u>

In the opinion of the directors, the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet

The company holds investments in the following companies

<i>Name of company</i>	<i>Class of shares held</i>	<i>%</i>	<i>Principal activity</i>
SAI Global Compliance Limited	Ordinary	100	Provision of specialist communication services
Easy I Inc	Ordinary	100	Provision of specialist communication services
ILI Limited	Ordinary	100	Publishing of information, marketing and distribution of technology publications

All companies are incorporated in Great Britain except for Easy I Inc which is incorporated in the United States of America

Notes to the financial statements

at 30 June 2012

9. Creditors: amounts falling due within one year

	2012 £	2011 £
Bank loans	15,598,655	-
Amounts owed to group undertakings	11,561,218	11,173,829
Accruals	113,052	110,832
	<u>27,272,925</u>	<u>11,284,661</u>

The amount owed to group undertakings represents a current account with other group companies. There are no set repayment terms and these are not interest bearing and have no securities.

10. Creditors: amounts falling due after more than one year

	2012 £	2011 £
Bank loans – repayable within 1-2 years	<u>-</u>	<u>15,598,655</u>

The bank loans comprise of a facility from Westpac Bank, secured by a debenture over the SAI Global group's assets which is repayable on 14 February 2013. Interest is fixed at 3.85%.

11. Issued share capital

	2012 £	2011 £
<i>Allotted, called up and fully paid</i>		
Ordinary shares of £1 each	1,000 <u>1,000</u>	1,000 <u>1,000</u>

12. Movements on reserves

	<i>Profit and loss account</i> £
At 1 July 2011	(426,925)
Loss for the year	<u>(381,497)</u>
At 30 June 2012	<u>(808,422)</u>

13. Reconciliation of shareholders' funds

	2012 £	2011 £
Issue of shares	-	1,000
Loss for the year	<u>(381,497)</u>	<u>(426,925)</u>
Net decrease in shareholders' funds	<u>(381,497)</u>	<u>(425,925)</u>
Opening shareholders' funds	<u>(425,925)</u>	-
Closing shareholders' funds	<u>(807,422)</u>	<u>(425,925)</u>

Notes to the financial statements

at 30 June 2012

14. Capital commitments

The company had no capital commitments at 30 June 2012

15. Contingent liabilities

There were no contingent liabilities at 30 June 2012

16. Related party transactions

As a wholly owned subsidiary of the SAI Global Limited group, the company is exempt from the requirements of FRS 8 to disclose transactions with other wholly owned members of the group headed by SAI Global Limited

17. Ultimate parent undertaking and controlling party

The ultimate parent undertaking and controlling party is SAI Global Limited by virtue of its 100% holding in the share capital of the company. Copies of SAI Global Limited's financial statements may be obtained from its website at www.saiglobal.com and from the company secretary at Partis House, Davy Avenue, Knowlhill, Milton Keynes MK1 9ES

The smallest and largest group into which the results of the company are consolidated is that headed by SAI Global Limited, a company incorporated in Australia