

Integritie (UK) Limited

FINANCIAL STATEMENTS

for the year ended

31 December 2011

FRIDAY



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28/12/2012
COMPANIES HOUSE

Company Registration No 3842863

Integritie (UK) Limited

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

M Veenswyk
P Lewis
S Nienaltowski

REGISTERED OFFICE

1000 Lakeside
North Harbour
Western Road
Portsmouth
England
PO6 3EN

AUDITOR

Baker Tilly UK Audit LLP
Chartered Accountants
Hanover House
18 Mount Ephraim Road
Tunbridge Wells
Kent
TN11 1ED

BANKERS

HSBC Bank plc
Sun Pier
Medway Street
Chatham
Kent
ME4 4HF

Lloyds TSB Bank plc
121 High Street
Tonbridge
Kent TN9 1DB

Integritie (UK) Limited

DIRECTORS' REPORT

The directors submit their report and financial statements of Integritie (UK) Limited for the year ended 31 December 2011

PRINCIPAL ACTIVITIES

The principal activities of the company during the year were that of image capture and content management archive software consulting and technical services delivery, with core focus of moving towards a Cloud based service

REVIEW OF THE BUSINESS

Within 2011 Integritie continued the positive revenue and profit growth, achieved by focusing on core differentiated business activities. Within 2011 Integritie had divested from most non strategic commodity sales, refocusing on repeatable image and content services and product applications, enabling a lower cost of sales, faster speed to market, and greater GP ratios, increasing the annual GP ratios from circa 46% in 2010 to circa 60% GP in 2011. Integritie will continue to develop products and services with a stated commitment of achieving over 65% GP ratios against revenue in 2012.

Within 2011 Integritie has invested considerable resources in building an image and content cloud that will be formally launched in 2012, providing an end to end capture, consolidation and cloud service of customer information, controlled from an Integritie hosted Cloud facility. Significant investment has been made to create repeatable cross industry business applications within the Cloud that can be deployed globally on premises at customer offices or from the Integritie Cloud.

Integritie has developed a solid long term annuity business, ensuring a smoother and more consistent cash flow throughout the future quarters.

The Board of Integritie are pleased with the continued and accelerating growth of the business.

DIRECTORS

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

M Veenswyk
J P Gannaway
P Lewis
S Nienaltowski

S Nienaltowski was appointed as a director on 1 February 2011.

J P Gannaway retired as a director on 31 January 2011.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditor is unaware. Each of the directors has confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

AUDITOR

Baker Tilly UK Audit LLP has indicated its willingness to continue in office.

Integritie (UK) Limited

DIRECTORS' REPORT

SMALL COMPANY PROVISIONS

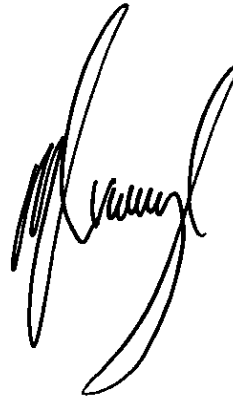
This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemptions

Registered office
1000 Lakeside
North Harbour
Western Road
Portsmouth
England
PO6 3EN

On behalf of the board

M Veenswyk
Director

21/12/12

A handwritten signature in black ink, appearing to be 'M Veenswyk', written over a series of horizontal lines.

Integritie (UK) Limited

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

The directors are responsible for preparing the Directors' 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 those financial statements, the directors are required to

- a select suitable accounting policies and then apply them consistently,
- b make judgements and accounting estimates that are reasonable and prudent,
- c 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 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 AUDITOR'S REPORT TO THE MEMBERS OF INTEGRITIE (UK) LIMITED

We have audited the financial statements on pages 6 to 13. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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 more fully explained in the Directors' Responsibilities Statement set out on page 4, 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 (APB'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 website at www.frc.org.uk/apb/scope/private.cfm.

Other matter

The company was exempt from audit in the year ended 31 December 2010 and consequently the corresponding figures are unaudited.

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 31 December 2011 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, 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, or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the directors' report.

Baker Tilly UK Audit LLP

GARY PURDY (Senior Statutory Auditor)

For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor

Chartered Accountants

Hanover House

18 Mount Ephraim Road

Tunbridge Wells

Kent TN11 1ED

24 December 2012

Integritie (UK) Limited
PROFIT AND LOSS ACCOUNT
for the year ended 31 December 2011

		2011	Unaudited 2010
	<i>Notes</i>	£	£
TURNOVER	1	2,842,807	2,694,604
Cost of sales		(1,086,450)	(1,449,814)
Gross profit		1,756,357	1,244,790
Administrative expenses		(1,466,847)	(1,044,539)
OPERATING PROFIT	2	289,510	200,251
Interest receivable		402	—
		289,912	200,251
Interest payable and similar charges		(1,950)	(17,295)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		287,962	182,956
Taxation	4	(70,893)	(47,701)
PROFIT FOR THE FINANCIAL YEAR	11	217,069	135,255

Integritie (UK) Limited**BALANCE SHEET**

31 December 2011

		2011	Unaudited 2010
	Notes	£	£
FIXED ASSETS			
Tangible assets	5	<u>308,758</u>	<u>279,394</u>
CURRENT ASSETS			
Debtors	6	1,126,725	1,002,341
Cash at bank and in hand		<u>48,006</u>	<u>25,704</u>
		1,174,731	1,028,045
CREDITORS			
Amounts falling due within one year	7	<u>997,926</u>	<u>1,059,536</u>
NET CURRENT ASSETS/(LIABILITIES)		<u>176,805</u>	<u>(31,491)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>485,563</u>	<u>247,903</u>
Deferred taxation	8	<u>37,544</u>	<u>16,953</u>
		<u>448,019</u>	<u>230,950</u>
CAPITAL AND RESERVES			
Called up share capital	10	100	100
Profit and loss account	11	<u>447,919</u>	<u>230,850</u>
SHAREHOLDERS' FUNDS		<u>448,019</u>	<u>230,950</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The financial statements on pages 6 to 13 were approved by the board of directors and authorised for issue on 21/12/12 and are signed on their behalf by



M Veenswyk

Integritie (UK) Limited

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

GOING CONCERN

The company has the continued financial support of the directors. Based on this support, the company will have sufficient resources to meet its financial liabilities as they fall due and the directors have therefore prepared the financial statements on the going concern basis.

Should the company be unable to meet its liabilities as they fall due, adjustments would have to be made to the financial statements to reduce the value of assets to their recoverable amount and to provide for any further liabilities which may arise.

TURNOVER

The turnover shown in the profit and loss account represents amounts due in respect of services provided during the year, exclusive of Value Added Tax.

In respect of long-term contracts and contracts for on-going services, turnover represents the value of work done in the year, including estimates of amounts not invoiced. Turnover in respect of long-term contracts and contracts for on-going services is recognised by reference to the stage of completion.

FIXED ASSETS

All fixed assets are initially recorded at cost.

DEPRECIATION

Depreciation is calculated so as to write off the cost of a tangible fixed asset, less its estimated residual value, over the useful economic life of that asset as follows:

Fixtures & Fittings	-	25% reducing balance
Equipment	-	25% reducing balance/33% straight line/10% straight line
Development of software	-	25% straight line

DEFERRED TAXATION

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company'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 timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Integritie (UK) Limited

ACCOUNTING POLICIES

FOREIGN CURRENCIES

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

FINANCIAL INSTRUMENTS

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Integritie (UK) Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2011

1 TURNOVER

The turnover and profit before tax are attributable to the one principal activity of the company

An analysis of turnover is given below

	2011	Unaudited 2010
	£	£
United Kingdom	2,493,145	2,128,548
USA and Caribbean	223,592	472,871
Europe	126,070	93,185
	<u>2,842,807</u>	<u>2,694,604</u>

2 OPERATING PROFIT

Operating profit is stated after charging

	2011	Unaudited 2010
	£	£
Depreciation of owned fixed assets	53,019	33,380
Auditor's fees	14,000	-
Net loss on foreign currency translation	<u>9,356</u>	<u>5,106</u>

3 DIRECTORS' REMUNERATION

The directors' aggregate remuneration in respect of qualifying services were

	2011	Unaudited 2010
	£	£
Aggregate remuneration	<u>100,267</u>	<u>99,329</u>

4 TAXATION ON ORDINARY ACTIVITIES

Analysis of charge in the year

	2011	Unaudited 2010
	£	£
Current tax		
In respect of the year		
UK Corporation tax based on the results for the year at 26% (2010 - 21%)	53,589	35,546
Over/under provision in prior year	<u>(3,287)</u>	<u>-</u>
Total current tax	<u>50,302</u>	<u>35,546</u>
Deferred tax.		
Origination and reversal of timing differences (note 8)		
Capital allowances	<u>20,591</u>	<u>12,155</u>
Tax on profit on ordinary activities	<u>70,893</u>	<u>47,701</u>

Integritie (UK) Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2011

5 TANGIBLE FIXED ASSETS

	Fixtures & Fittings £	Equipment £	Development of software £	Total £
Cost				
At 1 January 2011 (Unaudited)	19,063	407,368	47,000	473,431
Additions	—	82,383	—	82,383
At 31 December 2011	<u>19,063</u>	<u>489,751</u>	<u>47,000</u>	<u>555,814</u>
Depreciation				
At 1 January 2011 (Unaudited)	13,253	180,784	—	194,037
Charge for the year	1,385	32,134	19,500	53,019
At 31 December 2011	<u>14,638</u>	<u>212,918</u>	<u>19,500</u>	<u>247,056</u>
Net book value				
At 31 December 2011	<u>4,425</u>	<u>276,833</u>	<u>27,500</u>	<u>308,758</u>
At 31 December 2010 (Unaudited)	<u>5,810</u>	<u>226,584</u>	<u>47,000</u>	<u>279,394</u>

6 DEBTORS

	2011 £	Unaudited 2010 £
Trade debtors	652,821	955,777
Amounts owed by group undertakings	247,241	—
Other debtors	226,663	46,564
	<u>1,126,725</u>	<u>1,002,341</u>

7 CREDITORS Amounts falling due within one year

	2011 £	Unaudited 2010 £
Bank overdrafts	31,878	—
Trade creditors	411,021	736,271
Amounts owed to group undertakings	—	15,618
Corporation tax	53,589	40,500
Other taxation and social security costs	144,519	117,813
Other creditors	356,919	149,334
	<u>997,926</u>	<u>1,059,536</u>

The bank overdraft and other amounts due to Lloyds TSB Bank plc are secured by a charge over fixed and other assets of the Company

Integritie (UK) Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2011

8 DEFERRED TAXATION

The movement in the deferred taxation provision during the year was

	2011	Unaudited 2010
	£	£
Provision brought forward	16,953	4,798
Profit and loss account movement arising during the year	20,591	12,155
Provision carried forward	<u>37,544</u>	<u>16,953</u>

The provision for deferred taxation consists of the tax effect of timing differences in respect of

	2011	Unaudited 2010
	£	£
Excess of taxation allowances over depreciation on fixed assets	37,544	16,953
	<u>37,544</u>	<u>16,953</u>

9 RELATED PARTY TRANSACTIONS

The ultimate parent company is Electronic Archive Solutions Holdings Limited, a company registered in the British Virgin Islands, which owns 80% of the issued share capital of the company (2010 80%)

During the year, the following transactions have taken place with Electronic Archive Solutions Holdings Limited.

- Integritie (UK) Limited was due at the balance sheet date £247,241 (2010 owed £11,151) in terms of loan balances from Electronic Archive Solutions Holdings Limited
- Integritie (UK) Limited paid a management charge of £220,200 (2010 £68,000) to Electronic Archive Solutions Holdings Limited

During the year, the following transactions have taken place with Integritie (Canada) Limited, a fellow group company

- Integritie (UK) Limited is due at the balance sheet date £nil (2010 £9,022) in terms of trade balances from Integritie (Canada) Limited.
- Integritie (UK) Limited owes at the balance sheet date £nil (2010 £4,467) in terms of non-trade amounts to Integritie (Canada) Limited
- Integritie (UK) Limited made sales of £nil (2010 £46,083) to Integritie (Canada) Limited
- Integritie (UK) Limited purchased £nil (2010 £6,194) of goods from Integritie (Canada) Limited

Included within other creditors is £nil (2010 £nil) representing amounts owed to J Gannaway, the director of the company. The maximum amount outstanding during the year was £nil, (2010 £50,000)

No further transactions with related parties were undertaken such as are required to be disclosed under the Financial Reporting Standard for Smaller Entities (effective April 2008)

10 SHARE CAPITAL

	2011	Unaudited 2010
	£	£
Allotted, called up and fully paid: 100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

Integritie (UK) Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2011

11 PROFIT AND LOSS ACCOUNT

	2011	Unaudited 2010
	£	£
At the beginning of the year	230,850	95,595
Profit for the financial year	217,069	135,255
At the end of the year	<u>447,919</u>	<u>230,850</u>

12 POST BALANCE SHEET EVENTS

Since the year end the Company has given a guarantee to an amount of £694,000 to Oceanus Operating Company Limited (In Administration) and its administrators in respect of an acquisition of a business and certain assets by Knowledge Capture Limited, a fellow subsidiary Company

13 ULTIMATE PARENT COMPANY

During the year under review, the ultimate parent company was Electronic Archive Solutions Holdings Limited, a company registered in the British Virgin Islands, and the ultimate controlling entity is M Veenswyk