

**SG Five Limited**

**Directors' report and financial  
statements**

**Registered number 05271735**

**31 December 2011**

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## Directors' report

The directors present their directors' report and financial statements for the year ended 31 December 2011

### Principal activities

The principal activity of the company is that of provision of secure value-added payment facilities to clients in the European gaming industry

### Directors

The directors who held office during the year were as follows

J A Paulsen  
R J Robinson (resigned 14 September 2011)  
D I Holden (appointed 14 September 2011)

### Political and charitable contributions

The Company made no disclosable political or charitable donations or incurred any political expenditure during the year

### Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware, and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information

### Auditors

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG LLP will therefore continue in office

By order of the board



J A Paulsen  
Director

Sundridge Park Manor  
Willoughby Lane  
Bromley  
Kent  
BR1 3FZ

23 May 2012

## **Statement of directors' responsibilities in respect of the Directors' Report and the 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 these financial statements, the directors are required to

- Select suitable accounting policies and then apply them consistently,
- Make judgements and accounting 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 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.



**KPMG LLP**

1 Forest Gate  
Brighton Road  
Crawley  
RH11 9PT  
United Kingdom

**Independent auditor's report to the members of SG Five Limited**

We have audited the financial statements of SG Five Limited for the year ended 31 December 2011 set out on pages 5 to 10. 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 auditors**

As explained more fully in the Directors' Responsibilities Statement set out 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, 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**

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](http://www.frc.org.uk/apb/scope/private.cfm).

**Opinion on financial statements**

In our opinion, the financial statements

- give a true and fair view 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, 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 Auditor's report to the members of SG Five Limited** *(continued)*

### **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

*S Muncey*

**S Muncey (Senior Statutory Auditor)**  
For and on behalf of KPMG LLP, Statutory Auditor  
Chartered Accountants

*23 May*

2012

**Profit and Loss Account**  
*for the year ended 31 December 2011*

	<i>Note</i>	<b>2011</b> <b>£</b>	<b>2010</b> <b>£</b>
<b>Turnover</b>		<b>1,014,376</b>	<b>2,092,456</b>
 Cost of sales		 <b>(803,584)</b>	 <b>(1,563,426)</b>
<b>Gross profit</b>		<b>210,792</b>	<b>529,030</b>
Administrative expenses		<b>(48,330)</b>	<b>(447,932)</b>
 <b>Operating profit</b>	<i>2</i>	 <b>162,462</b>	 <b>81,098</b>
Interest receivable and similar income	<i>3</i>	<b>162</b>	<b>333</b>
 <b>Profit on ordinary activities before taxation</b>		 <b>162,624</b>	 <b>81,431</b>
Tax on profit on ordinary activities	<i>4</i>	<b>-</b>	<b>-</b>
 <b>Profit for the financial year</b>		 <b>162,624</b>	 <b>81,431</b>

The profit and loss account has been prepared on the basis that all activities are continuing operations

There are no recognised gains and losses other than those presented in the profit and loss account

The notes on pages 7 to 10 form part of these accounts

**Balance Sheet**  
*at 31 December 2011*

	<i>Note</i>	<b>2011</b>		<b>2010</b>	
		<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Current assets</b>					
Debtors	5	1,579,524		3,279,807	
Cash at bank and in hand		10,375		855,877	
			1,589,899		4,135,684
<b>Creditors</b> amounts falling due within one year	6	(1,312,928)		(4,021,337)	
			(1,312,928)		(4,021,337)
<b>Total assets less current liabilities</b>			276,971		114,347
<b>Capital and reserves</b>					
Called up share capital	7		1		1
Profit and loss account	8		276,970		114,346
<b>Shareholders' funds</b>			276,971		114,347

The notes on page 7 to 10 form part of these financial statements

These financial statements were approved by the board of directors on 23 May 2012 and were signed on its behalf

by

  
**J.A. Paulsen**  
Director

Company registered number 05271735



## Notes

*(forming part of the financial statements)*

### 1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements

#### *Basis of preparation*

The financial statements have been prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and under the historical cost accounting rules

The company has taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from the requirement to produce a cash flow statement on the grounds of its size

#### *Going concern*

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements

#### *Foreign currency translation*

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the profit and loss account

#### *Taxation*

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted

#### *Turnover*

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

### 2 Operating profit

	2011 £	2010 £
Operating profit is stated after charging/(crediting)		
- Auditors remuneration – audit of these financial statements	-	-
- Exchange (gain)/loss	(8,929)	4,203
	<u>          </u>	<u>          </u>

Audit remuneration in respect of these financial statements of £5,000 has been borne by a parent company

### 3 Interest receivable and similar income

	2011 £	2010 £
Bank interest	162	333
	<u>          </u>	<u>          </u>
	162	333

**Notes** *(continued)*

**4 Taxation**

***Analysis of charge in period***

	2011 £	2010 £
<b>Current tax charge</b>	-	-
<b>Factors affecting the tax charge for the year</b>		
Profit on ordinary activities before taxation	162,624	81,431
Profit on ordinary activities before taxation multiplied by standard rate of UK Corporation tax of 26.5% (2010: 28%)	43,095	22,801
<b>Effects of</b>		
Group relief utilised	(43,095)	(22,801)
Tax on profit on ordinary activities	-	-

***Factors that may affect future current and total tax charges***

On 23 March 2011 the Chancellor announced that the main rate of UK corporation tax will reduce from 28% to 26% with effect from 1 April 2011. This tax change became substantively enacted on 29 March 2011. A further reduction in the main rate of UK corporation tax to 25% per cent will take effect from 1 April 2012. This change became substantively enacted on 5 July 2011 and therefore the effect of the rate reduction on the deferred tax balances as at 31 December 2011 has been included in the figures above.

The Chancellor also proposed changes to further reduce the main rate of corporation tax by one per cent per annum to 23% by 1 April 2014, but these changes have not yet been substantively enacted and therefore are not included in the figures above.

## Notes (continued)

### 5 Debtors

	2011 £	2010 £
Trade debtors	436,255	1,692,626
Amounts owed by group undertakings	1,143,268	1,584,747
Other debtors	1	2,434
	<u>1,579,524</u>	<u>3,279,807</u>

### 6 Creditors: amounts falling due within one year

	2011 £	2010 £
Other creditors	437,948	2,521,815
Amounts owed to parent undertakings	874,980	1,499,522
	<u>1,312,928</u>	<u>4,021,337</u>

### 7 Called up share capital

	2011 £	2010 £
<i>Allotted, called up and fully paid</i>		
1 Ordinary share of £1	<u>1</u>	<u>1</u>

### 8 Statement of movements on revenues

	Profit and loss account £
Balance at 1 January 2011	114,346
Profit for the year	<u>162,624</u>
Balance at 31 December 2011	<u>276,970</u>

**Notes** *(continued)*

**9 Reconciliation of movements in shareholders' funds**

	2011 £	2010 £
Profit for the financial year	162,624	81,431
Opening shareholders' funds	114,347	32,916
	<hr/>	<hr/>
Closing shareholders' funds	276,971	114,347
	<hr/>	<hr/>

**10 Ultimate parent company and control**

The immediate parent company is Secure G Holdings Limited and the ultimate parent company is UC Group Limited, companies registered in England and Wales

The ultimate controlling party is J A Paulsen, a director of the company and ultimate parent company

UC Group Limited prepares group financial statements and copies can be obtained from - Sundridge Park Manor, Willoughby Lane, Bromley, Kent, BR1 3FZ United Kingdom

**11 Related party transactions**

During the year, the company paid management charges of £48,932 (2010 £422,407) to UC Group Limited, the ultimate parent company. At December 2011, the company owed UC Group Limited £874,980 (2010 £826,048)

The company has taken advantage of the exemption available in accordance with FRS 8 'Related party disclosures' not to disclose transactions entered into between members of the Secure G Holdings Limited group, as the company is a wholly owned subsidiary undertaking of that group