

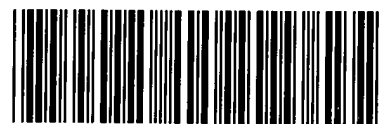
COMPANY REGISTRATION NUMBER 05424046

ACTIVE RISK GROUP LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31st DECEMBER 2014

BREBNERS

Chartered Accountants & Statutory Auditor
130 Shaftesbury Avenue
London
W1D 5AR

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ACTIVE RISK GROUP LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31st DECEMBER 2014

CONTENTS	PAGES
Officers and professional advisers	1
Strategic report	2 to 3
Directors' report	4 to 5
Independent auditor's report to the shareholders	6 to 7
Profit and loss account	8
Balance sheet	9
Notes to the financial statements	10 to 15
The following pages do not form part of the financial statements	
Detailed profit and loss account	17
Notes to the detailed profit and loss account	18

ACTIVE RISK GROUP LIMITED
OFFICERS AND PROFESSIONAL ADVISERS

The board of directors

J F Mottard
S A Allen

Registered office

1 Grenfell Road
Maidenhead
Berkshire
SL6 1HN

Auditor

Brebners
Chartered Accountants
& Statutory Auditor
130 Shaftesbury Avenue
London
W1D 5AR

Bankers

National Westminster
115 High Street
Epsom
Surrey
KT19 8DX

ACTIVE RISK GROUP LIMITED

STRATEGIC REPORT

YEAR ENDED 31st DECEMBER 2014

The principal activity of the company during the period was that of a holding company. A review of the trading subsidiaries activities is as follows:

Business Review

Our core business

Active Risk provides a leading Enterprise Risk Management ('ERM') solution which allows organisations to identify, analyse and manage risk more effectively, enabling improved business performance. The Active Risk approach to ERM includes four key areas: Operational Risk Management, Project Management, Governance and Compliance, and Opportunity Management.

Our markets

We focus on organisations with the following characteristics:

- revenue in excess of \$1 billion
- complex global operations
- capital intensive contracts
- increased regulation and compliance requirements
- increased cost reduction requirements

Accordingly, we concentrate on the following market sectors:

- Aerospace & Defence
- Construction and Engineering
- Government
- Energy (including Oil & Gas, Mining and Utilities)

The opportunity

Our target customers typically wish to improve business performance in order to manage shareholder value. The effective identification, analysis and management of risk are key components in improving both operational and financial performance, and while organisations recognise this, critical exposures still exist in many companies. Executive-level perception of risk continues to be obscured by organisational silos and outdated or inefficient systems potentially leaving a performance gap between an organisation's expectations for risk management and what is actually realised.

How Active Risk takes advantage of this opportunity

We help our customers to succeed by making risk management a valuable and less complex process. Active Risk ensures that business leaders have actionable data to make informed business decisions and capture strategic value within their organisation. Our product Active Risk Manager ('ARM') addresses the risk management process in a comprehensive manner (encompassing the six steps of identification, analysis, control, monitoring, improvement and reporting) and is the only solution that simplifies the identification and analysis of all risks at every level in an organisation so that executives can establish an accurate view.

ARM brings the following benefits:

Competitive Advantage

Business leaders who understand their organisation's risk profile are better able to leverage it to create opportunity and competitive advantage. With superior ERM, risk can be addressed thoughtfully and proactively - ensuring that strategic goals are met:

- Project predictability improves, outperforming the competition with more on-time and on-budget deliveries;
- Reaction times decrease, improving business performance;
- Compliance is thoroughly addressed, boosting confidence and providing peace of mind; and
- Importantly, new opportunities are discovered, accelerating growth.

ACTIVE RISK GROUP LIMITED**STRATEGIC REPORT** *(continued)***YEAR ENDED 31st DECEMBER 2014**

Strategic Visibility

Active Risk provides the only solution that can collect all risk data from anywhere in an organisation, at the point at which it is encountered - whether on a project, in operations, or at a strategic level. This ensures true risk visibility across an enterprise.

Actionable Data

Active Risk's ERM technology is designed to filter large quantities of risk data to ensure that executives have the exact information that ensures they meet their strategic goals. Comprehensive, real-time data is immediately actionable through dashboards and reports that are defined against business objectives.

Our strategy

Our strategy is aligned to the direction of the risk market and we have built sales teams and partners with the necessary enterprise-wide skills and knowledge to communicate the business case and convert our ARM pipeline into new customers. This is supported by our marketing function which refines market targeting and delivers the ARM value proposition to the market.

Our competitive position

ARM is unique in being able to fulfill the end-to-end requirements of risk management with its scalable, integrated, standards-based, real time and consolidated view of enterprise-wide risk profiles. Our strategy and roadmap, based on customer needs and market trends, is designed to keep us focused and ahead of the market.

We are unrivalled as a company delivering a market-leading risk management software solution to our target industry sectors. We offer the most comprehensive software solution for risk and have industry experts in our team, with in-depth experience of successful large-scale risk management implementations. The essence of risk management is about culture change and our full service capability sets us apart. In addition, we believe our core services capabilities further set us apart by enabling us to integrate our risk management solution into our customers' existing complex process infrastructures.

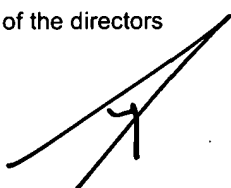
Principal risks and uncertainties

The principal risks facing the company are as follows:

- Theft of Intellectual Property
- Incorrect corporate/product strategy
- Competitor takes largest market share
- Loss of major customers
- Failure to deliver on customer promise

Signed on behalf of the directors

J F Mottard
Director



Approved by the directors on 8 SEPT 15

ACTIVE RISK GROUP LIMITED
DIRECTORS' REPORT
YEAR ENDED 31st DECEMBER 2014

The directors present their report and the financial statements of the company for the year ended 31st December 2014.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £679,370. Particulars of dividends paid are detailed in note 7 to the financial statements.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The company has no hedging arrangements as at 31st December 2014. The foreign exchange currency risk is managed centrally at group level.

Liquidity and cash flow risks are monitored by local management in terms of identifying local cash flow requirements. These in turn are communicated to head office which operates a group cash pooling system to ensure the necessary liquidity is available throughout the group. Any excesses or local short falls are underwritten by group and managed via intercompany loans.

The company governs its own price risk and credit risk based on director's requirements to meet its ultimate parent undertaking expectations.

DIRECTORS

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

J F Mottard
S A Allen

DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, 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 year.

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;
- 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.

ACTIVE RISK GROUP LIMITED

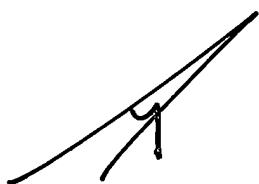
DIRECTORS' REPORT *(continued)*

YEAR ENDED 31st DECEMBER 2014

Each of the persons who is a director at the date of approval of this report confirm that:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- each director has taken all 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 auditor is aware of that information.

Signed on behalf of the directors

A handwritten signature in black ink, appearing to be 'J F Mottard', written over a horizontal line.

J F Mottard
Director

Approved by the directors on 8 SEPT 15

ACTIVE RISK GROUP LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
ACTIVE RISK GROUP LIMITED
YEAR ENDED 31st DECEMBER 2014

We have audited the financial statements of Active Risk Group Limited for the year ended 31st December 2014 on pages 8 to 15. 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 shareholders, 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 shareholders 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 shareholders 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 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 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 annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

ACTIVE RISK GROUP LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
ACTIVE RISK GROUP LIMITED *(continued)*

YEAR ENDED 31st DECEMBER 2014

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31st December 2014 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 Strategic Report and 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.



PHILIP HEATH (Senior Statutory Auditor)
For and on behalf of
BREBNERS
Chartered Accountants
& Statutory Auditor

130 Shaftesbury Avenue
London
W1D 5AR

10th September 2015

ACTIVE RISK GROUP LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 31st DECEMBER 2014

	Note	Year to 31 Dec 14 £	Period from 1 Apr 13 to 31 Dec 13 £
TURNOVER		–	–
Administrative expenses		105	47
OPERATING LOSS		(105)	(47)
Income from shares in group undertakings	3	700,000	–
Interest receivable	4	28,039	12,260
Interest payable and similar charges	5	(46,255)	(2,173)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		681,679	10,040
Tax on profit on ordinary activities	6	2,309	–
PROFIT FOR THE FINANCIAL YEAR		<u>679,370</u>	<u>10,040</u>

All of the activities of the company are classed as continuing.

The company has no recognised gains or losses other than the results for the year as set out above.

The notes on pages 10 to 15 form part of these financial statements.

ACTIVE RISK GROUP LIMITED**BALANCE SHEET****31st DECEMBER 2014**

	Note	2014 £	£	2013 £	£
FIXED ASSETS					
Investments	8		9,578,116		5,915,587
CURRENT ASSETS					
Debtors	9	2,886,261		935,956	
Cash at bank		997,291		993,031	
		<u>3,883,552</u>		<u>1,928,987</u>	
CREDITORS: Amounts falling due within one year	10	<u>6,615,882</u>		<u>-</u>	
NET CURRENT (LIABILITIES)/ASSETS			(2,732,330)		1,928,987
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>6,845,786</u>		<u>7,844,574</u>
CAPITAL AND RESERVES					
Called-up equity share capital	12		372,715		342,312
Share premium account	13		6,317,472		4,926,033
Profit and loss account	13		155,599		2,576,229
SHAREHOLDERS' FUNDS	14		<u>6,845,786</u>		<u>7,844,574</u>

These accounts were approved by the directors and authorised for issue on 8 SEPT 15, and are signed on their behalf by:

J F Mottard
Director

Company Registration Number: 05424046

The notes on pages 10 to 15 form part of these financial statements.

ACTIVE RISK GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31st DECEMBER 2014

1. ACCOUNTING POLICIES**Basis of accounting**

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

Basis of preparation

The company has considerable financial resources, the continued support from its parent undertaking and sufficient cash at bank. The directors believe that the company is well placed to manage its business risks successfully despite the current uncertain economic outlook.

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

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is over 90% owned and its parent publishes a consolidated cash flow statement.

Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Consolidation

The company was, at the end of the year, a subsidiary of another company incorporated in the eea and in accordance with section 400 of the Companies Act 2006, is not required to produce, and has not published, consolidated accounts.

2. PARTICULARS OF EMPLOYEES

No salaries or wages have been paid to employees, including the directors, during the year.

3. INCOME FROM SHARES IN GROUP UNDERTAKINGS

	Year to 31 Dec 14 £	Period from 1 Apr 13 to 31 Dec 13 £
Income from shares in group undertakings	<u>700,000</u>	<u>—</u>

ACTIVE RISK GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31st DECEMBER 2014

4. INTEREST RECEIVABLE

	Year to 31 Dec 14 £	Period from 1 Apr 13 to 31 Dec 13 £
Bank interest receivable	4,366	3,058
Interest from group undertakings	<u>23,673</u>	<u>9,202</u>
	<u>28,039</u>	<u>12,260</u>

5. INTEREST PAYABLE AND SIMILAR CHARGES

	Year to 31 Dec 14 £	Period from 1 Apr 13 to 31 Dec 13 £
Interest payable on bank borrowing	—	2,173
Other similar charges payable	<u>46,255</u>	<u>—</u>
	<u>46,255</u>	<u>2,173</u>

6. TAXATION ON ORDINARY ACTIVITIES**(a) Analysis of charge in the year**

	Year to 31 Dec 14 £	Period from 1 Apr 13 to 31 Dec 13 £
Current tax:		
Corporation tax	—	—
Subvention payment/receipt	<u>2,309</u>	<u>—</u>
Total current tax	<u>2,309</u>	<u>—</u>

ACTIVE RISK GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31st DECEMBER 2014

6. TAXATION ON ORDINARY ACTIVITIES *(continued)***(b) Factors affecting current tax charge**

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 21.50% (2013 - 23%).

	Year to 31 Dec 14 £	Period from 1 Apr 13 to 31 Dec 13 £
Profit on ordinary activities before taxation	<u>681,679</u>	<u>10,040</u>
Profit on ordinary activities by rate of tax	146,561	2,309
Group losses relief	3,939	(2,309)
Subvention payment	2,309	-
Dividends not taxable	<u>(150,500)</u>	<u>-</u>
Total current tax (note 6(a))	<u>2,309</u>	<u>-</u>

7. DIVIDENDS**Equity dividends**

	Year to 31 Dec 14 £	Period from 1 Apr 13 to 31 Dec 13 £
Paid		
Equity dividends on ordinary shares	<u>3,100,000</u>	<u>-</u>

8. INVESTMENTS**Investment in subsidiary undertakings**

	£
COST	
At 1st January 2014	5,915,587
Additions	<u>3,662,529</u>
At 31st December 2014	<u>9,578,116</u>
NET BOOK VALUE	
At 31st December 2014	<u>9,578,116</u>
At 31st December 2013	<u>5,915,587</u>

ACTIVE RISK GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31st DECEMBER 2014

8. INVESTMENTS (continued)

The company holds or has beneficial interest in 20% or more of the share capital of the following principal companies:

	Country of registration or incorporation	Class of share	Proportion held	Business
Active Risk Limited	England and Wales	Ordinary	100%	Sale of risk management software
Active Risk Proprietary Limited	Australia	Ordinary	100%	Sale of risk management software
Active Risk Inc	United States of America	Ordinary	100%	Sale of risk management software
Sword Achiever Limited	England and Wales	Ordinary	100%	Sale of risk and compliance software

The company is not required to disclose the aggregate capital and reserves, and the profit and loss account under the Companies Act 2006 for the principal subsidiary undertakings as it is exempt by virtue of Section 400 of the Companies Act 2006 from preparing group accounts as it is part of a larger group preparing consolidated accounts. The information in the financial statements are for the company only.

9. DEBTORS

	2014 £	2013 £
Amounts owed by group undertakings	1,657,321	935,907
Other debtors	<u>1,228,940</u>	<u>49</u>
	<u>2,886,261</u>	<u>935,956</u>

10. CREDITORS: Amounts falling due within one year

	2014 £	2013 £
Amounts owed to group undertakings	<u>6,615,882</u>	<u>-</u>

11. RELATED PARTY TRANSACTIONS**Control**

Control of the company vested within the ultimate parent undertaking as disclosed in note 16.

Transactions

The company has taken exemption under the terms of FRS8 "Related Party Disclosures" from disclosing related party transactions with entities that are wholly owned subsidiaries within the Active Risk Group Limited group.

ACTIVE RISK GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31st DECEMBER 2014

12. SHARE CAPITAL

Allotted, called up and fully paid:

	2014		2013	
	No	£	No	£
Ordinary shares of £0.01 each	34,231,171	342,312	34,231,171	342,312
Ordinary B shares of £0.01 each	3,040,375	30,404	-	-
	<u>37,271,546</u>	<u>372,715</u>	<u>34,231,171</u>	<u>342,312</u>

All shares rank *pari passu* in all respects.

On 30th October 2014 the company issued 3,040,375 ordinary B shares of 1p at a price of 46.765p per share. The premium on issue has been taken to the Share Premium account.

During the prior period the following transactions occurred:

On 23rd August 2013 the company issued 1 ordinary share of 1p at a price of 35p per share. The premium on issue has been taken to the Share Premium account.

On 28th August 2013 the company issued 150,000 ordinary shares of 1p each at a price of 27.5p per share (upon the exercise of share options). The premium on issue has been taken to the Share Premium account.

On 28th August 2013 the company issued 146,950 ordinary shares of 1p each at a price of 29.12p per share (upon the exercise of share options). The premium on issue has been taken to the Share Premium account.

On 28th August 2013 the company issued 587,451 ordinary shares of 1p each at a price of 33.5p per share (upon the exercise of share options). The premium on issue has been taken to the Share Premium account.

On 29th August 2013 34,231,170 shares were cancelled by order of The High Court of Justice.

On 30th August 2013 the company issued 34,231,170 ordinary shares of 1p each at a price of 15.39p per share.

13. RESERVES

	Share premium account £	Profit and loss account £
Balance brought forward	4,926,033	2,576,229
Profit for the year	-	679,370
Equity dividends	-	(3,100,000)
Other movements	-	-
New equity share capital subscribed	1,391,439	-
Balance carried forward	<u>6,317,472</u>	<u>155,599</u>

ACTIVE RISK GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31st DECEMBER 2014

14. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2014		2013	
	£	£	£	£
Profit for the financial year		679,370		10,040
New equity share capital subscribed	30,403		8,844	
Premium on new share capital subscribed	<u>1,391,439</u>		<u>271,994</u>	
		1,421,842		280,838
Equity dividends		(3,100,000)		—
Profit in year on EBT		—		488,646
Write off Share Based Payments		—		(810,999)
Net reduction to shareholders' funds		(998,788)		(31,475)
Opening shareholders' funds		<u>7,844,574</u>		<u>7,876,049</u>
Closing shareholders' funds		<u>6,845,786</u>		<u>7,844,574</u>

15. SHARE-BASED PAYMENTS

The Employee Share Option Plan (ESOP) was introduced in March 2001. Under the ESOP the Remuneration Committee of the company, Active Risk Group Limited could grant equity settled options over shares in the company to employees of the Group. Options were granted with a fixed exercise price equal to the market price of the shares under option at the date of grant. The contractual life of an option was 10 years. Awards under the ESOP were generally granted to senior employees within the Group. The company made grants throughout the year in order to incentivise new and existing employees alike. Options granted under the ESOP became exercisable on the third anniversary of the date of grant - there were no performance conditions, however, exercise of an option was subject to continued employment. Options were valued using the Black-Scholes option-pricing model. No performance conditions were included in the fair value calculations.

On 29th August 2013 all options lapsed/exercised upon the acquisition of the group by Sword Aquila Limited. There were no share options in existence at 31st December 2013.

The company recognised total profit of £nil (2013: £488,646) relating to the settlement of the share options during the previous year. 1,429,489 shares were sold at 35.2p per share for total consideration of £503,180. Total costs of £nil (2013: £14,534) relating to equity-settled share-based payment transactions during the previous year were also incurred. The ESOP was fully closed during the prior year.

16. ULTIMATE PARENT COMPANY

The immediate parent company is Sword Soft Limited.

The ultimate parent undertaking is Sword Group SE, a company incorporated in Luxembourg. Copies of the accounts of Sword Group SE can be obtained from 105 Route d'Arlon, L-8009 Strassen, Luxembourg. The directors consider Sword Group SE to be the ultimate controlling party of the company.

The parent of the smallest and largest group for which group accounts are prepared, of which the company is a member, is Sword Group SE.