SHL GROUP HOLDINGS 4 LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011

Registered Number: 5922347

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REGISTERED OFFICE: The Pavilion, 1 Atwell Place, Thames Ditton, Surrey, KT7 0NE

DIRECTORS' REPORT

The directors present their directors' report and the audited financial statements of SHL Group Holdings 4 Limited ("the Company") for the year ended 31 December 2011

PRINCIPAL ACTIVITIES

The Company is a wholly owned subsidiary of SHL Group Holdings 1 Limited and has been consolidated into those accounts The principal activity of the Company is to act as a holding and group financing company

BUSINESS REVIEW

The results for the year ended 31 December 2011 are set out in the Profit and Loss Account on page 6 During the year the Company incurred interest on the bank loans and received and incurred interest from loans with group undertakings The results show a loss on ordinary activities before taxation of £11,124,000 (2010 loss of £2,547,000)

The directors consider that the Company will continue these activities in the coming year and consider it appropriate to prepare the financial statements on a going concern basis Further disclosure is given in note 1

On 11 January 2011, SHL Group Holdings 3 Limited, the parent company of the Company and subsidiary of SHL Group Holdings 1 Limited, acquired all the issued share capital of PreVisor Incorporated ("PreVisor"), a US based company specialising in on demand employment assessments and talent management solutions Subsequent to the PreVisor acquisition by SHL Group Holdings 3 Limited, the investment in PreVisor was passed down to the Company and subsequently to SHL Group Limited, a wholly subsidiary of the Company, at fair value in exchange for equity shares in the Company and SHL Group Limited respectively

As part of the acquisition, SHL Group Holdings 1 Limited and its subsidiaries (the "Group") had to renegotiate its loan facilities with its lenders resulting in additional funding of £6 9m, shortening of loan maturity dates and changes to the covenants that will apply for the remainder of the loan terms The additional funding was used in conjunction with existing cash reserves to settle the senior and mezzanine debt of PreVisor The revised covenants are based on forecasts for the Group prepared by the Directors for 2011 to 2013 and in the opinion of the directors allow significant headroom throughout the period of the loans

This directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption

GOING CONCERN

The directors consider it appropriate to prepare the financial statements on a going concern basis Further disclosure is given in note 1

DIRECTORS

The directors who held office throughout the year, except as noted, were as follows

S Barrett
E V Lancaster
D Leigh

AUDITORS

Each of the persons who is a director at the date of approval of this report confirms that,

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information

This confirmation is given, and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006

Deloitte LLP have indicated their willingness to be reappointed for another term and appropriate arrangements are being made for them to be deemed reappointed as auditor in the absence of an Annual General Meeting

By Order of the Board

DAVID LEIGH
Director
24 April 2012

DIRECTORS' RESPONSIBILITY STATEMENT

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, 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

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF SHL GROUP HOLDINGS 4 LIMITED

We have audited the financial statements of SHL Group Holdings 4 Limited for the year ended 31 December 2011 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 12 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, 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 If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report

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 31 December 2011 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

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 take advantage of the small companies exemption in preparing the directors' report

Emma Cox (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
2 New Street Square,
London,
EC4A 3BZ

25 April 2012

PROFIT AND LOSS ACCOUNT
Year Ended 31 December 2011

	Notes	2011 £'000	2010 £'000
Reversal of impairment of investment		-	2,972
Refinancing cost	3	-	(85)
Operating profit	3	-	2,887
Interest receivable and similar income	2	482	-
Interest payable and similar charges	2	(11,606)	(5,434)
Loss on ordinary activities before taxation		(11,124)	(2,547)
Taxation on loss on ordinary activities	4	-	-
Loss for the year	9	(11,124)	(2,547)

The loss for the year is entirely generated from continuing activities

The Company has no recognised gains or losses other than the loss for the current and preceding year and therefore no separate statement of total recognised gains and losses has been presented

There is no difference between loss for the year as shown in the profit and loss above and historical cost loss before tax for the current year

BALANCE SHEET
As at 31 December 2011

	Note	2011 £'000	2010 £'000
Fixed assets			
Investments	5	167,041	104,866
Current assets			
Cash		14	5
Creditors: amounts falling due within one year	6	(113,002)	(90,641)
Net current liabilities		(112,988)	(90,636)
Total assets less current liabilities		54,053	14,230
Creditors Amounts falling due after more than one year	7	(28,099)	(39,327)
Net assets/(liabilities)		25,954	(25,097)
Capital and reserves			
Called up share capital	9	63,987	1,812
Profit and loss account	9	(38,033)	(26,909)
Shareholders' funds/(deficit)		25,954	(25,097)

These financial statements of SHL Group Holdings 4 Limited, registered number 5922347, were approved by the board of directors on 24 April 2012 and signed on its behalf by

Emma Lancaster
Director

David Leigh
Director

NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES

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

(A) BASIS OF PREPARATION

The accounts have been prepared in accordance with applicable accounting standards under the historical cost convention The Company is exempt from the requirement of FRS 1 (revised 1996) *Cash Flow Statements* to prepare a cash flow statement as it is a wholly-owned subsidiary undertaking of SHL Group Holdings 1 Limited and its cash flows are included within the consolidated cash flow statement of that company The Company has not prepared consolidated financial statements as it is a wholly-owned subsidiary of SHL Group Holdings 1 Limited, a United Kingdom company and ultimate parent which prepares consolidated financial statements (Companies Act 2006 s400) These financial statements thus present information about the Company as an individual undertaking not as a Group undertaking

Going concern

The Company is a wholly-owned subsidiary undertaking of SHL Group Holdings 1 Limited and, as set out in note 10, the Company is a joint guarantor of the Group's borrowing facilities The directors consider it appropriate to prepare these financial statements on a going concern basis, based on the letter of support obtained from SHL Group Holdings 1 Limited, having regard to the Group's forecast and the following disclosure included in the parent company's financial statements for the year ended 31 December 2011, which were approved on 15 March 2012

"A review of business performance, together with a description of the Group's principal risks and uncertainties is set out in the Directors' Report A description of the Group's borrowing facilities and its hedging strategies for both interest and foreign exchange is included in notes 14 and 15 to the accounts As described in note 14, the Group's borrowings include senior bank facilities, subordinated loan notes from the Group's shareholders and a working capital facility Under the bank facilities, the Group is required to comply with various financial covenants which are tested quarterly

As described in note 8, the Group acquired all the share capital of PreVisor Incorporated on 11 January 2011 As part of the acquisition, the Group had to renegotiate its loan facilities with its lenders resulting in addition funding, shortening of loan maturity dates and changes to the covenants that will apply for the remainder of the loan terms The directors have prepared forecasts for the Group to June 2013 for the purpose of their going concern review

These forecasts show that the Group will comply with its financial covenants throughout the forecast period, as well as operating well within its available facilities At the lowest test points, headroom on the interest cover and leverage covenants are 53% (£18 7m) and 39% (£13 9m) of EBITDA respectively Key sensitivities relate to the continued uncertainties facing the Group's customers and the related impact on its revenues, and the impact of foreign exchange movements on EBITDA and cash flow "

Notwithstanding the net current liabilities of £112,988,000 at 31 December 2011 (2010 £90,636,000), the directors have a reasonable expectation that the Company and Group have adequate resources to continue in operation existence for the foreseeable future

Accordingly, having taken into account the uncertainties referred to above, they consider it is appropriate to continue to adopt the going concern basis in preparing the annual report and accounts

(B) INVESTMENTS

Investments in subsidiary undertakings are stated at cost less provision for impairment, and reviewed annually for impairment If, after an impairment loss has been recognised, the recoverable amount increases because of a change in economic conditions or in the expected use of the asset, the resulting reversal of the impairment loss should be recognised in the current period The reversal of the impairment loss should be recognised in the profit and loss account unless it arises on a previously revalued fixed asset

(C) FOREIGN CURRENCIES

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains and losses on transaction are included in the profit and loss account

NOTES TO THE ACCOUNTS (CONTINUED)

1. ACCOUNTING POLICIES (CONTINUED)

(D) TAXATION

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19 *Deferred tax* 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 the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it is considered that there will be sufficient future profits from which the reversal of the timing losses can be deducted

(E) BANK BORROWINGS

Interest-bearing bank loans and overdrafts are recorded at the proceeds received, net of direct issue costs Finance charges, including direct issue costs, are accounted for on an accruals basis in the profit and loss account using the effective interest method

(F) DERIVATIVE FINANCIAL INSTRUMENTS

The Company uses derivative financial instruments to reduce exposure to interest rate movements It does not hold or issue derivative financial instruments for speculative purposes

For an interest rate swap to be treated as a hedge the instrument must be related to actual assets or liabilities or a probable commitment and must change the nature of the interest rate by converting a fixed rate to a variable rate Interest differentials under these swaps are recognised by adjusting new interest payable over the period of the contracts

Interest rate swaps are not revalued to fair value or shown on the balance sheet at year end

2. NET INTEREST PAYABLE AND OTHER SIMILAR CHARGES

	2011 £'000	2010 £'000
Net exchange gains	482	-
Total interest receivable and similar income	482	-
Bank interest	(3,001)	(3,043)
Group interest	(8,457)	(954)
Other interest and charges	(148)	(79)
Net exchange losses	-	(1,358)
Total interest payable and similar charges	(11,606)	(5,434)
Net interest payable and other similar charges	(11,124)	(5,434)

NOTES TO THE ACCOUNTS (CONTINUED)

3. OPERATING PROFIT

Operatıng profit ıs stated after chargıng

	2011	2010
	£'000	£'000
Refınancıng costs	-	85

No staff costs were ıncurred durıng the year (2010 £nıl) and the dırectors receıved no emoluments from the Company for the year (2010 £nıl)

Audıt fees of £5,000 (2010 £5,000) are borne by the group undertakıng, SHL Group Lımıted ın both year

4. TAXATION

	2011	2010
	£'000	£'000
Tax charge on loss on ordınary actıvıtıes for the perıod	-	-

A tax reconcılıatıon ıs provıded below

Loss on ordınary actıvıtıes before taxatıon	(11,124)	(2,547)
Tax effect of loss on ordınary actıvıtıes at the standard rate of UK corporatıon tax of 26 5% (2010 28%)	2,948	713
Effects of		
Loss carrıed forward	-	-
Expenses not deductıble	-	832
Surrendered as Group Relıef	(2,948)	(1,545)
	-	-

A deferred tax asset of £3,229,978 (2010 £3,488,000) has not been recognısed as at 31 December 2011 as the dırectors do not consıder that ıt ıs more lıkely than not that there wıll be suıtable future taxable profits from whıch these losses can be deducted

NOTES TO THE ACCOUNTS (CONTINUED)

5. INVESTMENTS

	Equity in Group Undertaking £'000
Cost	
At 1 January 2011	104,866
Additions	62,175
At 31 December 2011	167,041

On 11 January 2011 SHL Group Holdings 3 Limited, the parent company of the Company, acquired all the share capital of PreVisor Inc Subsequent to the acquisition of PreVisor Inc, the investment in PreVisor Inc was passed from its parent company to the Company at fair value in exchange for equity shares in the Company Subsequent to the acquisition of PreVisor Inc by the Company, the investment in PreVisor Inc was passed down to SHL Group Limited, a wholly owned subsidiary of the Company, at fair value in exchange for equity shares in SHL Group Limited No goodwill resulted from these transactions

The Company has fixed asset investments in the following Group undertakings

	Country of Incorporation	Effective Holding 2011	Effective Holding 2000
SHL Group Limited	UK	100%	100%
SHL People Solutions Group Holdings Limited	UK	100%	100%
SHL Product Limited	UK	100%	100%

SHL Group Limited's principal activity is to provide solutions for clients as they assess candidates when making hiring decisions (talent acquisition) and current employees to make talent development, promotion and restructuring decisions (talent mobility) SHL People Solutions Group Holdings Limited and SHL Product Limited are both holding companies

6. CREDITORS: amounts falling due within one year

	2011 £'000	2010 £'000
Accruals and other creditors	81	166
Bank loans	3,115	1,710
Amounts owed to group undertaking	47,665	31,852
Amounts owed to parent undertaking	62,141	56,913
	113,002	90,641

Both the amounts owed to group undertaking and the amounts owed to parent undertaking carry an interest rate of 9 6%

NOTES TO THE ACCOUNTS (CONTINUED)

7. CREDITORS: amounts falling due after more than one year

	2011	2010
	£'000	£'000
Bank loans	28,065	39,276
Other Creditors	34	51
	28,099	39,327

The loan amounts fall due

	2011	2010
	£'000	£'000
Within 1 year	3,115	1,710
Within 2-5 years	28,065	39,276
	31,180	40,986

The Company has entered into the following loan agreements with CIT Capital Finance (UK) Limited

- a £6m multi-currency revolving credit facility
- a £5 8m AUD denominated capex facility to be repaid on 31 January 2013
- £3 3m of euro denominated senior debt (known as Senior A) to be repaid over the period to January 2013
- £12 9m of Euro and USD denominated senior debt (known as Senior B) to be repaid on 30 April 2013
- £9 7m of GBP and Euro denominated senior debt (known as Senior C), to be repaid on 31 July 2013

These facilities are secured by a fixed and floating charge over a number of the Group's UK and foreign incorporated subsidiaries, including the Company's Interest rates are payable on the loans at the following margins above the relevant LIBOR

Revolving credit facility	3 25%
Capex facility	5 00%
Senior A	3 25%
Senior B	3 75%
Senior C	4 25%

8. DERIVATIVES AND OTHER FINANCIAL INSTRUMENTS

The Company may enter into derivative contracts to protect specific interest rate exposure

Hedging

The Group has a number of interest hedges to cover its exposure on the variable interest rates of the Senior debt The amounts hedged, and details of the hedges are as follows

Currency	Type of hedge	Expiry	Rate	2011	2010
EUR	Swap	December 2011	4 055%	-	€3 5m
EUR	Swap	December 2011	4 35%	-	€3 1m
EUR	Cap	December 2011	4 35%	-	€5 3m
GBP	Swap	December 2011	5 45%	-	£3 0m
USD	Swap	December 2014	3 68%	$6 0m	$6 0m

The fair value of the above instruments as at 31 December 2011 is estimated to be a liability of £332,000 (2010 £598,000)

NOTES TO THE ACCOUNTS (CONTINUED)

9 SHARE CAPITAL AND RESERVES

	2011 £'000	2010 £'000
63,986,486 (2010 1,811,767) Ordinary shares of £1 each	63,987	1,812

During the year the Company issued 62,174,719 ordinary shares with a nominal value of £62,174,719 as consideration for the acquisition of PreVisor Inc

	Called Up Share Capital £'000	Profit & Loss Account £'000	Total £'000
At 1 January 2011	1,812	(26,909)	(25,097)
Shares Issued	62,175	-	62,175
Loss for the period	-	(11,124)	(11,124)
At 31 December 2011	63,987	(38,033)	25,954

10. CONTINGENT LIABILITIES

The Company is a joint guarantor under the bank facility agreements of the Group as set out in note 7 The debt facilities are secured by a fixed and floating charge over the assets of the Company

11. RELATED PARTY TRANSACTIONS

The Company is exempt from the requirements of FRS 8 *Related Party Disclosures* to disclose transactions with other group undertakings as it is a wholly-owned subsidiary of SHL Group Holdings 1 Limited, whose accounts are available from the Registrar of Companies

12. CONTROLLING PARTIES

The Company is a wholly-owned subsidiary undertaking of SHL Group Holdings 3 Limited, which is incorporated and registered in England and Wales The largest group into which the Company will be consolidated is SHL Group Holdings 1 Limited and the smallest group into which the Company will be consolidated is SHL Group Holdings 3 Limited No other group financial statements include the results of the Company In the opinion of the directors, the Company and the Group are ultimately owned by investors whose investments are managed by HgCapital Nominees Ltd and VSS Qwiz Investors LLC The directors do not consider there to be an ultimate controlling party The consolidated statements for SHL Group Holdings 1 Limited and SHL Group Holdings 3 limited are available to the public and may be obtained from the Registrar of Companies