

Compass Ltd

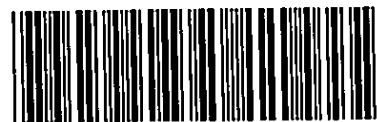
Report and Financial Statements

Year ended

31 December 2011

Company Number 01714804

THURSDAY



L1NPFQWA

LD2

13/12/2012

#22

COMPANIES HOUSE

Compass Ltd

Contents

Page

3	Directors and Advisors
4	Report of the directors for the year ended 31 December 2011
6	Independent auditors' report
7	Profit and Loss account for the year ended 31 December 2011
8	Balance Sheet as at 31 December 2011
9	Notes to Financial Statements for the year ended 31 December 2011

Compass Ltd

Directors and Advisors

Directors

D E Berger
I M Barna
A R Scheller
R M Brown
D J L Whitmore

Company Secretary

R M Brown
1 Park Row
Leeds
LS1 5AB

Registered Office

1 Park Row
Leeds
LS1 5AB

Company Number

01714804

Independent Auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
First Point
Buckingham Gate
Gatwick
West Sussex
RH6 0NT

Compass Ltd

Report of the directors for the year ended 31 December 2011

The Directors present their report together with the audited financial statements of the company for the year ended 31 December 2011

Results and dividends

The profit and loss account is set out on page 7 and shows the profit for the year. No dividend was paid in the year (2010 nil) and the Directors do not recommend payment of a final dividend.

Principal activities

The company's principal activity is that of the provision of group services to companies within the Compass group, headed by CCGH Limited.

During the year, the group headed by CCGH Limited was acquired by Information Services Group Inc, ('ISG'). The company's ultimate parent company, ISG, is a management consulting firm that identifies and delivers significant improvement in the business operations of large global organisations. With over 700 professionals operating in 21 countries, ISG brings together a more comprehensive range of research, consulting and managed services offerings to deliver even greater value for our clients. From trusted business performance metrics and detailed assessment analytics to industry-leading transformation methodologies, ISG helps clients assess, optimize, and manage their operational environment and drive operational excellence throughout your organisation.

In preparing this directors' report advantage has been taken of the small sized companies exemption.

Business Review

The company is exempt, by virtue of its size it being a small company, from the requirement to include an enhanced business review.

Principal Risks & Uncertainties

The company is exempt, by virtue of its size it being a small company, from the requirement to include an enhanced analysis of principal risks and uncertainties.

Funding & Liquidity

The Directors have considered the funding and liquidity position of the company and of its ultimate parent company, Information Services Group Inc. Following this review the Directors considered it appropriate to continue to prepare the Financial Statements on a Going Concern basis.

Directors

The Directors of the company who were in office during the year and up to the date of signing the financial statements were:

R M Brown
D J L Whitmore
D E Berger (appointed 4 Jan 2011)
I M Barna (appointed 4 Jan 2011)
A R Scheller (appointed 4 Jan 2011)

Directors' Insurance

Throughout the financial year and up to the date of the approval of these financial statements, the ultimate parent company, Information Services Group Inc, maintained Directors' & Officers' Liability insurance policies on behalf of the Directors of the company. These policies meet the 2006 Companies Act definition of a qualifying third party indemnity provision.

Compass Limited

Report of the directors for the year ended 31 December 2011

Statement of Directors' responsibilities

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 prepared the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice). 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 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.

Disclosure of Information to Auditors

The Directors at the date of approval of this report confirm that

- so far as each of the Directors are aware, there is no relevant audit information of which the company's auditors are unaware, and
- each of the directors have taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

During the year BDO LLP resigned as auditors and PricewaterhouseCoopers LLP were appointed by the Directors in their place. Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be re-appointed and PricewaterhouseCoopers LLP will therefore continue in office.

By order of the Board



R M Brown
Secretary

[Date]

13/12/12

Compass Ltd

Independent auditors' report to the Members of Compass Limited

We have audited the financial statements of Compass Ltd for the year ended 31 December 2011 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. 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).

Respective responsibilities directors and auditors

As explained more fully in the Statement of Directors' Responsibilities 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.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 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, 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.

Peter Latham

Peter Latham (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Gatwick

13 December 2012

Compass Ltd

Profit and Loss Account for the year ended 31 December 2011

	Note	2011 £	2010 £
Turnover	2	3,405,367	3,725,026
Cost of Sales		(113,668)	(107,126)
Gross Profit		3,291,699	3,617,900
Administrative expenses		(3,463,320)	(3,001,551)
Operating profit	3	171,621	616,349
Exceptional Other Income – forgiven inter-company loan	4	5,167,523	-
Interest receivable and similar income	8	336,232	60,213
Interest payable and similar charges	9	(4)	(36,372)
Profit on ordinary activities before tax		5,332,130	640,190
Tax on profit on ordinary activities	10	(17,345)	-
Profit for the financial year		5,314,785	640,190

The results stated above are all derived from continuing operations

There are no material differences between the profit on ordinary activities before taxation and the profit for the financial year stated above and their historical cost equivalents

There are no recognised gains and losses other than those included in the profit and loss account Accordingly no statement of total recognised gains and losses is presented

The notes on pages 9 to16 form part of these financial statements

Compass Ltd

Balance sheet as at 31 December 2011

	Note	2011 £	2010 £
Fixed assets			
Tangible assets	11	241,966	69,091
Current assets			
Debtors (2010 including 2,622,333 due in more than one year)	12	9,833,217	2,947,038
Cash at bank and in hand		48,870	8,155
		9,882,087	2,955,193
Creditors amounts falling due within one year	13	(3,326,331)	(1,441,347)
Net current assets		6,555,756	1,513,846
Total assets less current liabilities		6,797,722	1,582,937
Provision for liabilities	14	-	100,000
Net assets		6,797,722	1,482,937
Capital and reserves			
Called up share capital	15	1,000	1,000
Profit and loss account	16	6,796,722	1,481,937
Total shareholders' funds	17	6,797,722	1,482,937

The notes on pages 9 to 16 form part of these financial statements

The financial statements were approved by board of directors on
and signed on its behalf by

13/12/12

R M Brown
Director

Compass Ltd

Notes to the financial statements for the year ended 31 December 2011

1 Accounting policies

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

Basis of preparation

These financial statements are prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom

The principal accounting policies, which have been applied consistently throughout the year are set out below

Cash flow statement

The company is a wholly owned subsidiary of Information Services Group Inc., and is included in the consolidated statements of Information Services Group Inc which are publicly available. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard 1, "Cash Flow Statements" (Revised 1996)

Turnover

Turnover represents provision of group services to companies within the Compass Group headed by CCGH Limited and is recognised in line with when the services are provided

Fixed assets

Depreciation is provided to write off the cost, less estimated residual values, of all tangible fixed assets evenly over their expected useful lives. It is calculated at the following rates

Software, fixtures, fittings & equipment	-	20%-33 3% on straight line basis per annum
--	---	--

Foreign currency translation and financial instruments

Monetary assets and liabilities expressed in foreign currencies are translated into Sterling at the rates of exchange ruling at the date of the balance sheet. Transactions in foreign currency are converted to Sterling at the rate ruling at the date of the transaction. Foreign exchange gains & losses are recognised in the profit and loss account

Leased assets

Rentals payable under operating leases are charged to the profit and loss account on a straight-line basis over the term of the lease

Taxation

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the balance sheet date and any adjustment to tax payable in respect of previous periods

Except as otherwise required by accounting standards, full provision without discounting is made for all deferred taxation timing differences which have arisen but not reversed at the balance sheet date. Timing differences arise when items of income and expenditure are included in tax computations in periods which are different from their inclusion in the financial statements. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be used

Compass Ltd

Notes to the financial statements for the year ended 31 December 2011

1 Accounting policies (continued)

Pension costs

Contributions to the company's defined contribution pension scheme are charged to the profit and loss account in the year in which they become payable

2 Turnover

Turnover represents recharges to group clients at invoiced amounts less value added tax or local taxes on sales where applicable. The proportion of turnover that is attributable to markets outside the United Kingdom is 80.49% (2010 - 79.50%)

3 Operating profit

	2011	2010
	£	£
This is arrived at after charging		
Staff costs		
- Wages and salaries	1,624,876	1,628,985
- Social security costs	199,899	170,280
- Other pension costs	69,504	74,557
- Termination costs	119,663	-
Depreciation of tangible fixed assets	48,946	55,106
Operating lease charges		
- Other	272,768	348,875
Exchange differences	1,985	-
Services provided by the Company's Auditors		
- Fees Payable for the Audit	21,200	14,276
- Taxation services	-	16,000

4 Exceptional Other Income – forgiven intercompany loan

	2011	2010
	£	£
Write-off of balance payable to another group company	5,167,523	-

Exceptional other income pertains to the write off of an intercompany loan payable to Compass Consulting Group Holdings Limited which was forgiven following the group acquisition and restructuring

5 Employee Information

The average monthly number of persons (including executive directors) employed during the year was

	2011	2010
	Number	Number
Administration	27	26

Compass Ltd

Notes to the financial statements for the year ended 31 December 2011

6 Directors' remuneration

	2011	2010
	£	£
Aggregate emoluments	387,000	333,057
Company's contribution to defined contribution scheme	16,076	13,835

There were 2 Directors in the company's defined contribution pension scheme 'Compass Group Personal Pension' during the year (2010 3)

There were 2 Directors entitled to shares under long-term incentive scheme (2010 Nil)

The remuneration of the remaining Directors was borne by a fellow group subsidiary which makes no recharge to the company. The Directors are directors of the fellow group subsidiary and are also directors of a number of fellow group subsidiaries. It is therefore not possible to make an accurate apportionment of their remuneration in respect of each of the fellow group subsidiaries that they are a director of, hence no amounts are disclosed above.

Highest paid director

	2011	2010
	£	£
Aggregate emoluments	244,000	144,571
Company's contribution to defined contribution scheme	10,697	6,079

The highest paid director exercised Nil share options during the year and 7,150 shares of Information Services Group, Inc. were receivable by him under a long-term incentive scheme.

7 Pensions

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension charge amounted to £69,504 (2010 - £74,557). Contributions amounting to £5,975 (2010 - £26,836) were payable to the fund and are included in creditors.

8 Interest receivable and similar income

	2011	2010
	£	£
Loan to group companies	336,232	60,213
	336,232	60,213

Compass Ltd

Notes to the financial statements for the year ended 31 December 2011

9 Interest payable and similar charges

	2011	2010
	£	£
Bank loans and overdrafts	4	7
Loans from group companies	-	37,226
Exchange (gains) on financing loans	-	(861)
	4	36,372

10 Tax on profit on ordinary activities

	Year ended 31 December 2011	Year ended 31 December 2010
	£	£
<i>UK Corporation tax</i>		
Current tax on profits of the year / period	17,345	-
Adjustments in respect of the previous year / period	-	-
Total Current Tax	17,345	-
<i>Deferred Taxation</i>	-	-
Movement in the Period	-	-
Total Current tax	17,345	-

The tax assessed for the year is lower (2010 lower) than the standard rate of corporation tax in the UK applied to profit before tax. The differences are explained below

	2011	2010
	£	£
Profit on Ordinary activities before tax	5,332,130	640,190
Profit on ordinary activities at the standard rate of corporation tax in UK 26% (2010 28%)	1,386,354	179,253
Effects of		
Expenses not deductible for tax purposes	3,960	487
Capital allowances for period in excess of depreciation	(17,812)	(5,500)
Other timing differences	6,194	-
Utilisation of Group tax losses	(18,118)	(174,240)
Difference in tax rates	323	-
Non-taxable income	(1,343,556)	-
Tax Charge in the year	17,345	-

Compass Ltd

Notes to the financial statements for the year ended 31 December 2011

10 Tax on profit on ordinary activities (Continued...)

On 22 June 2010, the UK Government announced a phased reduction in the main UK corporation tax rate from 28% to 24%, with the first 1% reduction taking effect from 1 April 2011 (having been substantively enacted on 20 July 2010). The March 2011 UK Budget Statement announced an additional 1% reduction in the main UK corporation tax rate to 26% taking effect from 1 April 2011. At the balance sheet date, the second 1% reduction has been substantively enacted confirming that the main UK corporation tax rate will be 25% from 1 April 2012. Therefore, at 31 December 2011, deferred tax assets and liabilities have been calculated based on a rate of 25% where the timing difference is expected to reverse after 1 April 2012. The remaining proposed reductions of the main rate of corporation tax were expected to be 1% per year to 23% by 1 April 2014. The UK Government in the 2012 budget announced an additional 1% reduction from 1 April 2012 to 24% (rather than 25%) this was substantively enacted in March 2012 post the balance sheet and therefore has not been included in these financial statements. The further reductions of 1% are expected to be enacted separately each year, ultimately reducing the rate to 22% from 1 April 2014 and as they have not been substantively enacted at the balance sheet date they too, are not included in these financial statements.

11 Tangible Fixed

Assets

Description	Software £	Fixture & Fittings £	Leasehold Improvements £	Computer Equipments £	Total Assets £
<i>Cost or valuation</i>					
At 1 January 2011	90,257	11,491	-	159,171	260,919
Additions	7,122	54,208	131,503	32,476	225,309
Disposals	(43,734)	(8,561)	-	(76,334)	(128,629)
At 31 December 2011	53,645	57,138	131,503	115,313	357,599
<i>Depreciation</i>					
At 1 January 2011	(64,442)	(6,931)	-	(120,455)	(191,828)
Provided for the year	(16,359)	(3,425)	(3,288)	(25,874)	(48,946)
Disposals	43,604	5,203	-	76,334	125,141
At 31 December 2011	(37,197)	(5,153)	(3,288)	(69,995)	(115,633)
At 31 December 2011	16,448	51,985	128,215	45,318	241,966
At 31 December 2010	25,815	4,560	-	38,716	69,091

Compass Ltd

Notes to the financial statements for the year ended 31 December 2011

12 Debtors

	2011 £	2010 £
Amounts receivable within one year		
Trade debtors	-	134,212
Amounts owed by group undertakings	9,339,078	-
Other debtors	443,615	190,493
Prepayment and accrued Income	50,524	-
	9,833,217	324,705
	2011 £	2010 £
Amounts receivable after more than one year		
Amounts owed by group undertakings	-	2,456,630
Other debtors	-	165,703
	-	2,622,333
Total debtors	9,833,217	2,947,038

Amounts owed by group undertakings include a loan of £1,718,631 due from Compass Management Consulting SA, a loan of £2,100,287 due from Compass Holdings BV and a loan of £3,975,460 due from Compass Management Consulting Limited. All 3 loans incur interest at LIBOR plus 3.5% per annum calculated on a daily basis and are repayable on demand. The remaining amounts owed to group companies are unsecured, interest free and are repayable on demand.

13 Creditors: amounts falling due within one year

	2011 £	2010 £
Trade creditors	31,367	364,609
Amounts owed to group undertakings	3,075,927	776,650
Taxation and social securities	80,424	107,428
Other creditors	-	192,660
Accruals & deferred income	138,613	-
	3,326,331	1,441,347

The amounts owed to group undertakings are unsecured, interest free and payable on demand.

Compass Ltd

Notes to the financial statements for the year ended 31 December 2011

14 Provisions for liabilities

	Other provisions £
As at December 31, 2010	100,000
Utilised during the year	(100,000)
Released during the year	-
As at December 31, 2011	-

The provision in 2010 amounting to £100,000 relates to dilapidations on property lease

15 Called up share capital

	2011 £	2010 £
<i>Allotted and fully paid</i>		
1,000 (2010 1,000) ordinary shares of £1 each	1,000	1,000

16 Profit and loss account

	Profit and loss account £
At 1 January 2011	1,481,937
Profit for the year	5,314,785
At 31 December 2011	6,796,722

17 Reconciliation of movements in shareholders' funds

	2011 £	2010 £
Profit for the year	5,314,785	640,190
Opening shareholders' funds	1,482,937	842,747
Closing shareholders' funds	6,797,722	1,482,937

Compass Ltd

Notes to the financial statements for the year ended 31 December 2011

18 Commitments under operating leases

The company had annual commitments under non-cancellable operating leases as set out below

	Buildings 2011 £	Buildings 2010 £
<i>Operating leases which expire</i>		
Within 1 year	62,000	-
Within 2-5 years	-	348,875
More than 5 years	126,000	-

19 Related party disclosures

The company is a wholly owned subsidiary of Information Services Group, Inc and has taken advantage of the exemption contained in Financial Reporting Standard 8 'Related party disclosures' not to disclose transactions or balances with wholly owned subsidiaries that form part of the group headed by Information Services Group, Inc

20 Ultimate Parent undertaking and controlling party

The company's immediate parent undertaking is Compass Holding BV, a company registered in the Netherlands

The company's ultimate parent undertaking and controlling party is Information Services Group, Inc a company registered in United States of America The consolidated financial statements of Information Services Group, Inc are available at Two Stamford Plaza, 281 Tresser Boulevard, Stamford, Connecticut, CT 06901, USA No other group financial statements include the results of the company