

**SHL GROUP HOLDINGS 1 LIMITED  
STRATEGIC REPORT, DIRECTORS' REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014**

**Registered Number: 5919061**

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**SHL GROUP HOLDINGS 1 LIMITED  
STRATEGIC REPORT, DIRECTORS' REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014**

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**REGISTERED OFFICE:** The Pavilion, 1 Atwell Place, Thames Ditton, Surrey, KT7 ONE

**STRATEGIC REPORT**

The directors present their strategic report, of SHL Group Holdings 1 Limited ("the Company") for the year ended 31 December 2014.

**PRINCIPAL ACTIVITIES**

The principal activity of the company is to act as a holding and group financing company. The Company is a wholly owned subsidiary of The Corporate Executive Board Company Incorporated ("CEB") and has been consolidated into those financial statements.

**BUSINESS REVIEW**

The business has continued to be an investment holding company during the financial year.

The results for the year ended 31 December 2014 are set out in the Profit and Loss Account on page 7. During the year the Company incurred interest on the loans with group undertakings. The results show a profit on ordinary activities before taxation of £48,000 (2013: profit of £33,000).

As a holding and group financing company the directors do not believe the company has any key performance indicators.

**FUTURE DEVELOPMENTS**

The Directors' expect the business to continue to be an investment holding company in the future and do not anticipate any strategic change.

**PRINCIPAL RISKS AND UNCERTAINTIES**

*Investment Risk*

The global financial and economic situation may have a negative impact on the value of the investment in subsidiary. In particular, on-going instability in or a collapse of the Eurozone could trigger a new wave of financial crises and push the world back into recession, leading to underperformance in the investment.

By Order of the Board



**Martin Franks**  
Director  
18 May 2015

**DIRECTORS' REPORT**

The directors present their directors' report and the audited financial statements of SHL Group Holdings 1 Limited ("the Company") for the year ended 31 December 2014.

**RESULT FOR THE YEAR**

Please refer to the Strategic Report.

**GOING CONCERN**

The directors consider that the Company will continue its present 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.

**DIRECTORS**

The directors who held office during the year and since the year end were as follows:

D Ryell  
M D Franks

**DISCLOSURE OF INFORMATION TO THE AUDITOR**

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.

In accordance with s485 of the Companies Act 2006, Ernst & Young LLP have indicated their willingness to be reappointed for another term and appropriate arrangements are being made for them to be deemed reappointed as auditors in the absence of an Annual General Meeting.

By Order of the Board



**Martin Franks**  
Director  
18 May 2015

**DIRECTORS' RESPONSIBILITIES 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 judgments 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 1 LIMITED**

We have audited the financial statements of SHL Group Holdings 1 Limited for the year ended 31 December 2014 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 9. 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 auditor**

As explained more fully in the Directors' Responsibilities Statement 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.

**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 Strategic Report, Directors' report and Financial Statements 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.

**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 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.

*Ernst & Young LLP*

Philip Young (Senior Statutory Auditor)  
for and on behalf of Ernst & Young LLP, Statutory Auditor

London

*21 May 2015*

**PROFIT AND LOSS ACCOUNT**  
Year ended 31 December 2014

	Notes	2014 £'000	2013 £'000
Administrative expenses		(8)	(2)
<b>Operating loss</b>	2	(8)	(2)
Interest receivable and similar income	3	56	35
<b>Profit on ordinary activities before taxation</b>		48	33
Taxation on profit on ordinary activities	4	-	-
<b>Profit for the year</b>	7	48	33

The profit for the year is entirely generated from continuing activities.

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

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

## SHL GROUP HOLDINGS 1 LIMITED

**BALANCE SHEET**  
As at 31 December 2014

	Notes	2014 £'000	2013 £'000
<b>Fixed assets</b>			
Investments	5	1,812	1,812
<b>Current assets</b>			
Debtors	6	766	707
Cash at bank and in hand		12	23
<b>Net current assets</b>		778	730
<b>Total assets less current liabilities</b>		2,590	2,542
<b>Net assets</b>		2,590	2,542
<b>Capital and reserves</b>			
Called up share capital	7	2,694	2,694
Profit and loss account	7	(104)	(152)
<b>Shareholders' funds</b>		2,590	2,542

These financial statements of SHL Group Holdings 1 Limited, registered number 5919061, were approved by the board of directors and authorised for issue on 18 May 2015 and signed on its behalf by:



\_\_\_\_\_  
Martin Franks  
Director



**NOTES TO THE FINANCIAL STATEMENTS**

**1. ACCOUNTING POLICIES**

The following principal accounting policies have been applied consistently in the current year and prior year in dealing with items which are considered material in relation to the financial statements. The financial statements are prepared in £ GBP and presented in £'000's.

**(A) BASIS OF PREPARATION**

The financial statements 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 The Corporate Executive Board Company Incorporated ("CEB") 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 CEB, a company registered in United States of America and ultimate parent which prepares consolidated financial statements (Companies Act 2006 s401) and are publicly available. These financial statements thus present information about the Company as an individual undertaking and not as the SHL Group.

*Going concern*

The Company is a wholly owned subsidiary undertaking of CEB, a company listed on the New York Stock Exchange. The directors consider it appropriate to prepare these financial statements on a going concern basis, having regard to the forecast of the Company and its subsidiaries ("the SHL Group") to 31 December 2016.

The directors have a reasonable expectation that the Company and the SHL Group have adequate resource to continue in operation existence for the foreseeable future. Accordingly they consider it is appropriate to continue to adopt the going concern basis in preparing the Company's financial statements.

**(B) INVESTMENTS**

Investments in subsidiary undertakings are stated at cost less provision for impairment and reviewed annually for impairment.

**(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 retranslated 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.

**(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.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****2. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION**

No staff costs were incurred during the current year (2013: £nil) and the directors received no emoluments from the Company in the year (2013: £nil). The directors have received emoluments from the group undertaking, SHL Group Limited, of which none related to their qualifying services as directors of the Company. The Company is a very small element of the SHL Group and therefore the directors do not consider it appropriate to apportion the directors' remuneration to the qualifying services provided to the company.

Audit fees of £5,000 (2013: £5,000) are borne and not recharged by the group undertaking, SHL Group Limited, in both years.

The Company had no (2013: nil) employees in the year.

**3. INTEREST RECEIVABLE AND OTHER SIMILAR CHARGES**

	2014 £'000	2013 £'000
Group interest receivable	56	35
Total interest receivable and similar income	56	35

**4. TAXATION**

	2014 £'000	2013 £'000
Tax charge on profit on ordinary activities for the year	-	-
Tax reconciliation is provided below:		
Profit on ordinary activities before taxation	48	33
Profit on ordinary activities at the standard rate of UK corporation tax of 21.5% (2013: 23.25%)	(10)	(8)
Effects of:		
Claimed as Group relief	10	8
	-	-

The Finance Act 2013 has been enacted by the UK government from July 2013 to reduce the UK corporate income tax rate further, to 20% by 1 April 2015. The further reduction in tax rate will affect any future deferred tax charge of the Company. For indicative purposes only, the effect of the proposed reduction in the corporate income tax rate to 20% is £nil.

**5. INVESTMENTS**

Cost and Net book value:	Equity in Group Undertaking £'000
At 1 January 2014 and 31 December 2014	1,812

The Company has fixed asset investments in the following Group undertaking:

	Country of Incorporation	Effective Holding 2013 & 2014
SHL Group Holdings 2 Limited	England & Wales	100%

SHL Group Holdings 2 Limited is a holding and group financing company.

The Company has taken advantage of the exemption in s410 of the Companies Act 2006 only to disclose a list comprising solely the principal subsidiaries. A full list of subsidiaries will be sent to Companies House with the next annual return.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****6. DEBTORS DUE WITHIN ONE YEAR**

	2014 £'000	2013 £'000
Amounts owed by group undertakings	766	707

Interest is receivable on the amounts owed by group undertakings at 7.5% (2013: at 7.5% per annum) and are to be repaid on demand or at the latest on 1 January 2020.

**7. SHARE CAPITAL AND RESERVES**

	2014 £'000	2013 £'000
Ordinary A shares of £1 each	715	715
Ordinary B shares of £1 each	1,979	1,979
	<u>2,694</u>	<u>2,694</u>
	Called Up Share Capital £'000	Profit and Loss Account £'000
At 1 January 2014	2,694	(152)
Profit for the year	-	48
At 31 December 2014	<u>2,694</u>	<u>(104)</u>
		Total £'000
		<u>2,542</u>
		<u>48</u>
		<u>2,590</u>

In the event of a winding-up or sale of the Company, the holders of ordinary B shares have preferential rights over the holders of ordinary A shares.

**8. RELATED PARTY TRANSACTIONS**

The Company, a wholly owned subsidiary undertaking of The Corporate Executive Board Company Incorporated ("CEB"), has taken advantage of the exemption in FRS 8 Related Party Disclosures that transactions with wholly owned subsidiaries, do not need to be disclosed.

**9. CONTROLLING PARTIES**

The Company is a wholly owned subsidiary undertaking of The Corporate Executive Board Company Limited. The largest and smallest group into which the Company will be consolidated is The Corporate Executive Board Company Incorporated ("CEB"), a company incorporated in the USA. No other group financial statements include the results of the Company. The consolidated statements for CEB are available to the public and may be obtained from their official website [www.executiveboard.com](http://www.executiveboard.com).