

COMPANY REGISTRATION NUMBER 02745421

Sequel Business Solutions Limited
Financial Statements
30 June 2012

WEDNESDAY



A04 *A251C6BT* 27/03/2013 #242
COMPANIES HOUSE

MHA MACINTYRE HUDSON
Chartered Accountants & Statutory Auditor
Euro House
1394 High Road
London
N20 9YZ

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Sequel Business Solutions Limited

Financial Statements

Period from 1 April 2011 to 30 June 2012

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Sequel Business Solutions Limited

Officers and Professional Advisers

The Board of Directors

M J Garcia Aguiar
M A Graham
D K Smith
M G Ralph

Registered Office

Euro House
1394 High Road
London
N20 9YZ

Auditor

MHA MacIntyre Hudson
Chartered Accountants
& Statutory Auditor
Euro House
1394 High Road
London
N20 9YZ

Bankers

Lloyds Bank Plc
25 Gresham Street
London
EC2V 7HN

Sequel Business Solutions Limited

The Directors' Report

Period from 1 April 2011 to 30 June 2012

The directors have pleasure in presenting their report and the financial statements of the company for the period from 1 April 2011 to 30 June 2012

Principal activities and business review

The principal activity of the company is delivering business software to broking and underwriting companies within the insurance and reinsurance industries

Review of the business and future development

The directors are pleased to report an increase in turnover and operating profit for the period ended 30 June 2012. The profit and loss account is set out on page 8 and this illustrates performance for the period

We continue to see significant interest in our products and services from brokers, underwriters and managing general agents. The directors are confident of delivering further growth based on newly secured contracts and additional product implementations within existing customers. Furthermore, we plan to launch 3 significant new products in 2013 which are the result of our investment and R&D over the last few years. The directors are very confident these new products will open new lines of business for Sequel that will underpin further growth of the company.

Sequel operates a development centre based in mainland Europe. This centre combined with an outsourcing arrangement with a trusted partner provides great flexibility and scalability to the Sequel operating model.

The directors consider that the level of business and the period end financial position were satisfactory, and the directors expect that the present level of activity will be sustained for the foreseeable future.

Results and dividends

The profit for the period amounted to £5,177,620. Particulars of dividends paid are detailed in note 7 to the financial statements.

Sequel Business Solutions Limited

The Directors' Report *(continued)*

Period from 1 April 2011 to 30 June 2012

Financial risk management objectives and policies

The company operates a centralised treasury function which is responsible for managing the liquidity, interest and foreign currency risks associated with the company's activities

The company ensures that it has sufficient liquid resources to meet the operating needs of its business

No hedging activities are entered into by the company

Credit risk

The company's credit risk is attributable to its trade debtors. Balances are concentrated in a controlled number of large customers which are blue chip companies and Lloyd's Syndicates

All prospective customers must fulfil credit rating criteria approved by the Board. Receivable balances are monitored on an ongoing basis

Directors' indemnity

The company's Articles of Association provide, subject to the provisions of UK legislation, an indemnity for directors and officers of the company in respect of liabilities they may incur in the discharge of their duties or in the exercise of their powers, including any liabilities relating to the defence of any proceedings brought against them which relate to anything done or omitted, or alleged to have been done or omitted, by them as officers or employees of the company

Appropriate directors' and officers' liability insurance cover is in place in respect of all of the company's directors

Directors

The directors who served the company during the period were as follows

M J Garcia Aguiar
M A Graham
D K Smith
M G Ralph

W E Barrie was appointed as a director on 1 July 2012
R C Just was appointed as a director on 1 July 2012
S K Ryder was appointed as a director on 1 July 2012
M G Ralph resigned as a director on 1 July 2012

Sequel Business Solutions Limited

The Directors' Report *(continued)*

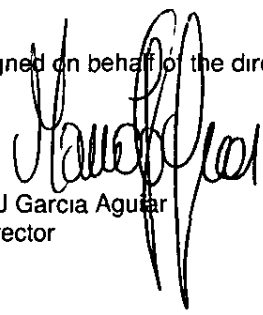
Period from 1 April 2011 to 30 June 2012

Auditor

MHA MacIntyre Hudson are deemed to be re-appointed under section 487(2) of the Companies Act 2006

Registered office
Euro House
1394 High Road
London
N20 9YZ

Signed on behalf of the directors


M J Garcia Aguiar
Director

Approved by the directors on

13/03/2013

Sequel Business Solutions Limited

Statement of Directors' Responsibilities

Period from 1 April 2011 to 30 June 2012

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 those 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,
- 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.

In so far as the directors are aware

- there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Sequel Business Solutions Limited

Independent Auditor's Report to the Shareholders of Sequel Business Solutions Limited

Period from 1 April 2011 to 30 June 2012

We have audited the financial statements of Sequel Business Solutions Limited for the period from 1 April 2011 to 30 June 2012 which comprise the Profit and Loss Account, Balance Sheet, Cash Flow Statement 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).

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 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 (APB'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 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 30 June 2012 and of its profit for the period 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 matters prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Sequel Business Solutions Limited

Independent Auditor's Report to the Shareholders of Sequel Business Solutions Limited (continued)

Period from 1 April 2011 to 30 June 2012

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



BRENDAN SHARKEY (Senior
Statutory Auditor)
For and on behalf of
MHA MACINTYRE HUDSON
Chartered Accountants
& Statutory Auditor

Euro House
1394 High Road
London
N20 9YZ

25 March 2013

Sequel Business Solutions Limited

Profit and Loss Account

Period from 1 April 2011 to 30 June 2012

	Note	Period from 1 Apr 11 to 30 Jun 12 £	Year to 31 Mar 11 £
Turnover	2	15,920,808	10,943,951
Administrative expenses		11,922,528	8,922,189
Operating profit	3	3,998,280	2,021,762
Interest receivable		77,025	22,993
Profit on ordinary activities before taxation		4,075,305	2,044,755
Tax on profit on ordinary activities	6	(1,102,315)	431,842
Profit for the financial period		<u>£5,177,620</u>	<u>£1,612,913</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 period as set out above

The notes on pages 11 to 23 form part of these financial statements

Sequel Business Solutions Limited

Balance Sheet

30 June 2012

	Note	30 Jun 12 £	£	31 Mar 11 £
Fixed assets				
Tangible assets	8		<u>551,833</u>	<u>576,820</u>
Current assets				
Debtors	9	11,361,842		1,637,483
Cash at bank		<u>5,150,737</u>		<u>8,807,430</u>
		16,512,579		10,444,913
Creditors amounts falling due within one year	11	<u>9,172,586</u>		<u>5,662,502</u>
Net current assets			<u>7,339,993</u>	<u>4,782,411</u>
Total assets less current liabilities			<u>7,891,826</u>	<u>5,359,231</u>
Capital and reserves				
Called-up equity share capital	16		99	86
Share premium account	17		370,578	—
Share options reserve	18		—	5,640
Other reserves	19		68	44
Profit and loss account	20		<u>7,521,081</u>	<u>5,353,461</u>
Shareholders' funds	21		<u>£7,891,826</u>	<u>£5,359,231</u>

These financial statements were approved by the directors and authorised for issue on 13/03/2013 and are signed on their behalf by

M J Garcia Aguiar
Director

Company Registration Number 02745421

The notes on pages 11 to 23 form part of these financial statements

Sequel Business Solutions Limited

Cash Flow Statement

Period from 1 April 2011 to 30 June 2012

	Note	Period from 1 Apr 11 to 30 Jun 12 £	£	Year to 31 Mar 11 £
Net cash inflow from operating activities	22	435,819		4,579,288
Returns on investments and servicing of finance	22	77,025		22,993
Taxation	22	(1,302,834)		42,567
Capital expenditure and financial investment	22	(227,318)		(313,524)
Equity dividends paid		(1,000,000)		(1,290,150)
Cash (outflow)/inflow before financing		(2,017,308)		3,041,174
Financing	22	(1,639,385)		–
(Decrease)/increase in cash	22	<u>£(3,656,693)</u>		<u>£3,041,174</u>

The notes on pages 11 to 23 form part of these financial statements

Sequel Business Solutions Limited

Notes to the Financial Statements

Period from 1 April 2011 to 30 June 2012

1. Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention

Turnover

Turnover represents the value of work done for clients after adjusting for all foreseeable losses, and excluding value added tax. Turnover from the sale of software licenses to customers is recognised on final customer acceptance. Amounts received in advance are included in deferred income in creditors.

Research and development

Research and development is expensed to the profit and loss account in the period which it is incurred.

Fixed assets

Tangible fixed assets are stated at cost less depreciation.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Leasehold Improvements	- 33% reducing balance (on a monthly basis)
Computer Equipment	- 33% reducing balance (on a monthly basis)
Fixtures, Fittings & Equipment	- 33% reducing balance (on a monthly basis)
Office Equipment	- 33% reducing balance (on a monthly basis)

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Pension costs

The company operates defined contribution schemes for directors and employees. Contributions payable to the company's stakeholder pension scheme are charged to the profit and loss account in the period to which they relate.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Foreign currencies

Costs expensed in foreign currencies are translated at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities are translated at HMRC rates of exchange ruling at the balance sheet date. Differences on the translation of such items are dealt with in the profit and loss account.

Sequel Business Solutions Limited

Notes to the Financial Statements

Period from 1 April 2011 to 30 June 2012

1. Accounting policies (continued)

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Share based payments

The company issues equity-settled share-based payments to certain employees (including directors). Equity-settled share-based payments are measured at fair value at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, together with a corresponding increase in equity, based upon the company's estimate of the shares that will eventually vest.

Fair value is measured using the Black-Scholes Model. The expected life used in the model has been adjusted, based on the management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

2. Turnover

The turnover and profit before tax are attributable to the one principal activity of the company.

An analysis of turnover is given below.

	Period from 1 Apr 11 to 30 Jun 12 £	Year to 31 Mar 11 £
United Kingdom	15,911,809	10,943,951
Overseas	8,999	-
	<u>15,920,808</u>	<u>10,943,951</u>

3. Operating profit

Operating profit is stated after charging

	Period from 1 Apr 11 to 30 Jun 12 £	Year to 31 Mar 11 £
Depreciation of owned fixed assets	233,637	148,383
Loss on disposal of fixed assets	15,258	-
Auditor's remuneration		
- as auditor	12,150	9,200
- for other services	45,580	11,590
Operating lease costs		
- Other	354,068	277,357
Net loss on foreign currency translation	<u>28,063</u>	<u>10,831</u>

Sequel Business Solutions Limited

Notes to the Financial Statements

Period from 1 April 2011 to 30 June 2012

Auditor's fees

The fees charged by the auditor can be further analysed under the following headings for services rendered

	Period from 1 Apr 11 to 30 Jun 12 £	Year to 31 Mar 11 £
Audit	12,150	9,200
Accountancy	2,535	8,490
Taxation	43,045	3,100
	<u>57,730</u>	<u>20,790</u>

4. Particulars of employees

The average number of staff employed by the company during the financial period amounted to

	Period from 1 Apr 11 to 30 Jun 12 No	Year to 31 Mar 11 No
Number of production staff	77	64
Number of administrative staff	8	7
Directors	4	5
	<u>89</u>	<u>76</u>

The aggregate payroll costs of the above were

	Period from 1 Apr 11 to 30 Jun 12 £	Year to 31 Mar 11 £
Wages and salaries	7,352,289	6,033,566
Social security costs	805,407	572,364
Other pension costs	316,900	317,830
Pensions paid to former employees	238,400	112,862
	<u>8,712,996</u>	<u>7,036,622</u>

Sequel Business Solutions Limited

Notes to the Financial Statements

Period from 1 April 2011 to 30 June 2012

5 Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services were

	Period from 1 Apr 11 to 30 Jun 12 £	Year to 31 Mar 11 £
Remuneration receivable	569,126	1,474,082
Value of company pension contributions to money purchase schemes	238,400	112,862
	<u>807,526</u>	<u>1,586,944</u>

Remuneration of highest paid director

	Period from 1 Apr 11 to 30 Jun 12 £	Year to 31 Mar 11 £
Total remuneration (excluding pension contributions)	175,000	460,000
Value of company pension contributions to money purchase schemes	35,000	24,000
	<u>210,000</u>	<u>484,000</u>

The number of directors who accrued benefits under company pension schemes was as follows

	Period from 1 Apr 11 to 30 Jun 12 No	Year to 31 Mar 11 No
Money purchase schemes	<u>4</u>	<u>5</u>

Sequel Business Solutions Limited

Notes to the Financial Statements

Period from 1 April 2011 to 30 June 2012

6. Taxation on ordinary activities (a) Analysis of charge in the period

	Period from 1 Apr 11 to 30 Jun 12 £	Year to 31 Mar 11 £
Current tax		
UK Taxation		
In respect of the period		
UK Corporation tax based on the results for the period	-	539,446
Over/under provision in prior year	(312,546)	(167,970)
	<u>(312,546)</u>	<u>371,476</u>
Foreign tax		
Current tax on income for the period	58,571	41,100
Total current tax	<u>(253,975)</u>	<u>412,576</u>
Deferred tax		
Origination and reversal of timing differences	(848,340)	19,266
Tax on profit on ordinary activities	<u>(1,102,315)</u>	<u>431,842</u>

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the period is lower than the standard rate of corporation tax in the UK of 26% (2011 - 28%)

	Period from 1 Apr 11 to 30 Jun 12 £	Year to 31 Mar 11 £
Profit on ordinary activities before taxation	<u>4,075,305</u>	<u>2,044,755</u>
Profit on ordinary activities by rate of tax	1,059,579	572,531
Expenses not deductible for tax purposes	38,195	27,241
Capital allowances for period in excess of depreciation	47,787	(19,226)
R&D tax refund	(312,546)	(167,970)
Share scheme deduction	(1,086,990)	-
Total current tax (note 6(a))	<u>(253,975)</u>	<u>412,576</u>

Sequel Business Solutions Limited

Notes to the Financial Statements

Period from 1 April 2011 to 30 June 2012

7 Dividends

Equity dividends

	Period from 1 Apr 11 to 30 Jun 12 £	Year to 31 Mar 11 £
Paid		
Equity dividends on ordinary shares	<u>1,000,000</u>	<u>1,290,150</u>

8. Tangible fixed assets

	Leasehold Property £	Computer equipment £	Fixtures & Fittings £	Equipment £	Total £
Cost					
At 1 April 2011	239,407	1,126,919	103,112	43,425	1,512,863
Additions	31,758	183,483	7,554	4,523	227,318
Disposals	(19,525)	(104,735)	—	(5,846)	(130,106)
At 30 June 2012	<u>251,640</u>	<u>1,205,667</u>	<u>110,666</u>	<u>42,102</u>	<u>1,610,075</u>
Depreciation					
At 1 April 2011	170,983	651,825	79,837	33,398	936,043
Charge for the period	23,772	196,154	9,423	4,288	233,637
On disposals	(12,485)	(95,995)	—	(2,958)	(111,438)
At 30 June 2012	<u>182,270</u>	<u>751,984</u>	<u>89,260</u>	<u>34,728</u>	<u>1,058,242</u>
Net book value					
At 30 June 2012	<u>69,370</u>	<u>453,683</u>	<u>21,406</u>	<u>7,374</u>	<u>551,833</u>
At 31 March 2011	<u>68,424</u>	<u>475,094</u>	<u>23,275</u>	<u>10,027</u>	<u>576,820</u>

9 Debtors

	30 Jun 12 £	31 Mar 11 £
Trade debtors	190,065	578,728
Amounts owed by group undertakings	8,479,687	—
Corporation tax repayable	995,153	—
Other debtors	95,440	56,921
Prepayments and accrued income	742,079	990,756
Deferred taxation (note 10)	859,418	11,078
	<u>11,361,842</u>	<u>1,637,483</u>

Sequel Business Solutions Limited

Notes to the Financial Statements

Period from 1 April 2011 to 30 June 2012

10. Deferred taxation

The deferred tax included in the Balance sheet is as follows

	Period from 1 Apr 11 to 30 Jun 12 £	Year to 31 Mar 11 £
Included in debtors (note 9)	<u>859,418</u>	<u>11,078</u>

The movement in the deferred taxation account during the period was

	Period from 1 Apr 11 to 30 Jun 12 £	Year to 31 Mar 11 £
Balance brought forward	11,078	30,344
Profit and loss account movement arising during the period	<u>848,340</u>	<u>(19,266)</u>
Balance carried forward	<u>859,418</u>	<u>11,078</u>

The balance of the deferred taxation account consists of the tax effect of timing differences in respect of

	30 Jun 12 £	31 Mar 11 £
Excess of depreciation over taxation allowances	2,165	(38,787)
Other timing differences	<u>857,253</u>	<u>49,865</u>
	<u>859,418</u>	<u>11,078</u>

11. Creditors: amounts falling due within one year

	30 Jun 12 £	31 Mar 11 £
Trade creditors	107,092	56,065
Taxation and social security	803,484	1,184,371
Accruals and deferred income	<u>8,262,010</u>	<u>4,422,066</u>
	<u>9,172,586</u>	<u>5,662,502</u>

12. Pensions

Contributions payable by the company during the period amounted to £430,692 (2011 £419,188) and have been recognised in the profit and loss account

Sequel Business Solutions Limited

Notes to the Financial Statements

Period from 1 April 2011 to 30 June 2012

13 Share-based payments

The company has three share option schemes in issue as follows

Grant date	Options at 1 April 2011	Options exercised in period	Options forfeited in period	Options at 30 June 2012	Exercise price
Jan 05	2,571	2,571	nil	nil	£65
Nov 06	1,507	nil	1,570	nil	£135
Oct 10	2,400	1,100	1,300	nil	£185

The weighted average fair value of the share options was as follows

Grant Date	Weighted average fair value
Jan 05	£18 60
Nov 06	£66 65
Oct 10	£14 10

These options are based on no performance conditions. The vesting period is three to ten years.

The company recognised total expenses of £28,200 (2011: £5,640) related to equity-settled share-based payment transactions during the period.

On 8 December 2012, 1,200 share options were exercised at a price of £65.

On 22 June 2012, 1,371 share options were exercised at a price of £65 and 1,100 share options were exercised at a price of £185.

The remaining share options have all been forfeited.

14 Commitments under operating leases

At 30 June 2012 the company had annual commitments under non-cancellable operating leases as set out below:

	Land and buildings	
	30 Jun 12	31 Mar 11
	£	£
Operating leases which expire		
Within 1 year	21,900	21,300
Within 2 to 5 years	339,016	339,184
	<u>360,916</u>	<u>360,484</u>

Sequel Business Solutions Limited

Notes to the Financial Statements

Period from 1 April 2011 to 30 June 2012

15. Related party transactions

During the period, the following directors received dividends by virtue of their holdings in the £0.01 Ordinary shares

M G Ralph	£162,140 (2011: £180,000)
D K Smith	£837,860 (2011: £930,150)

During the period, the company provided loan finance to Sequel Business Holdings Limited of £8,479,687. On 22 June 2012, Sequel Business Holdings Limited became the parent company of Sequel Business Solutions Limited. This balance was outstanding at the year end. The loan is interest free and repayable on demand.

On 22 June 2012, Sequel Business Solutions Limited entered into a guarantee and set-off agreement with Lloyds TSB Bank PLC as security against the loan provided by the bank to Sequel Business Holdings Limited.

16. Share capital

Allotted, called up and fully paid:

	30 Jun 12		31 Mar 11	
	No	£	No	£
7,401 Ordinary shares (2011: 8,601) of £0.01 each	7,401	74	8,601	86
2,471 Ordinary A shares of £0.01 each	2,471	25	-	-
	<u>9,872</u>	<u>99</u>	<u>8,601</u>	<u>86</u>

On 23 September 2011, the company repurchased 600 Ordinary shares from Directors, for a total cost of £1,000,000. The shares were then cancelled.

On 7 December 2011, a director exercised 1,043 EMI share options and 157 unapproved share options. 1,200 Ordinary A £0.01 shares were issued at a premium of £65 per share. On 8 December 2011, the shares were repurchased for £1,000,000. The shares were then cancelled.

On 22 June 2012, all the remaining share options were exercised. 1,371 Ordinary A £0.01 shares were issued at a premium of £65. 1,100 Ordinary A £0.01 shares were issued at a premium of £185.

17. Share premium account

	Period from 1 Apr 11 to 30 Jun 12 £	Year to 31 Mar 11 £
Premium on shares issued in the period	370,578	-
Balance carried forward	<u>370,578</u>	<u>-</u>

Sequel Business Solutions Limited

Notes to the Financial Statements

Period from 1 April 2011 to 30 June 2012

18 Share options reserve

	30 Jun 12	31 Mar 11
	£	£
Balance brought forward	5,640	–
Recognition of equity-settled share-based payments in the period	28,200	5,640
Exercise of options during the period	(33,840)	–
Balance carried forward	<u>–</u>	<u>5,640</u>

19. Other reserves

	Period from 1 Apr 11 to 30 Jun 12	Year to 31 Mar 11
	£	£
Capital redemption reserve*		
Balance brought forward	44	44
Purchase of own shares	24	–
	<u>68</u>	<u>44</u>

During the period the company repurchased 1,200 Ordinary Shares for £1,000,000 Stamp duty of £5,000 was paid on the transaction

Also during the period, the company repurchased 1,200 Ordinary A Shares for £1,000,000 Stamp duty of £5,000 was paid on the transaction

The shares were repurchased to allow the shareholders to dispose of their shareholding in the company The shares were then cancelled

20. Profit and loss account

	Period from 1 Apr 11 to 30 Jun 12	Year to 31 Mar 11
	£	£
Balance brought forward	5,353,461	5,030,698
Profit for the financial period	5,177,620	1,612,913
Equity dividends	(1,000,000)	(1,290,150)
Purchase of own shares	(2,010,000)	–
Balance carried forward	<u>7,521,081</u>	<u>5,353,461</u>

Sequel Business Solutions Limited

Notes to the Financial Statements

Period from 1 April 2011 to 30 June 2012

21. Reconciliation of movements in shareholders' funds

	30 Jun 12	31 Mar 11
	£	£
Profit for the financial period	5,177,620	1,612,913
New equity share capital subscribed	37	—
Premium on new share capital subscribed	370,578	—
	<u>370,615</u>	
Purchase of own ordinary shares	(24)	—
Premium on purchase of own ordinary shares	(2,009,976)	—
Equity dividends	(1,000,000)	(1,290,150)
	<u>(3,010,000)</u>	
Recognition of equity-settled share-based payments in the period	28,200	5,640
Exercise of options during the period	(33,840)	—
Net addition to shareholders' funds	2,532,595	328,403
Opening shareholders' funds	5,359,231	5,030,828
Closing shareholders' funds	<u>7,891,826</u>	<u>5,359,231</u>

22. Notes to the cash flow statement

Reconciliation of operating profit to net cash inflow from operating activities

	Period from 1 Apr 11 to 30 Jun 12	Year to 31 Mar 11
	£	£
Operating profit	3,998,280	2,021,762
Depreciation	233,637	148,383
Loss on disposal of fixed assets	15,258	—
Increase in debtors	(7,877,456)	(546,403)
Increase in creditors	4,071,740	2,949,906
Equity-settled share-based payments	(5,640)	5,640
Net cash inflow from operating activities	<u>£435,819</u>	<u>£4,579,288</u>

Returns on investments and servicing of finance

	Period from 1 Apr 11 to 30 Jun 12	Year to 31 Mar 11
	£	£
Interest received	77,025	22,993
Net cash inflow from returns on investments and servicing of finance	<u>77,025</u>	<u>22,993</u>

Taxation

	Period from 1 Apr 11 to 30 Jun 12	Year to 31 Mar 11
	£	£
Taxation	<u>(1,302,834)</u>	<u>42,567</u>

Sequel Business Solutions Limited

Notes to the Financial Statements

Period from 1 April 2011 to 30 June 2012

22 Notes to the cash flow statement (continued)

Capital expenditure

	Period from 1 Apr 11 to 30 Jun 12 £	Year to 31 Mar 11 £
Payments to acquire tangible fixed assets	(227,318)	(313,524)
Net cash outflow from capital expenditure	<u>(227,318)</u>	<u>(313,524)</u>

Financing

	Period from 1 Apr 11 to 30 Jun 12 £	Year to 31 Mar 11 £
Issue of equity share capital	37	—
Share premium on issue of equity share capital	370,578	—
Purchase of own equity shares	(24)	—
Premium on purchase of own equity shares	(2,009,976)	—
Net cash outflow from financing	<u>(1,639,385)</u>	<u>—</u>

Reconciliation of net cash flow to movement in net funds

	30 Jun 12 £	31 Mar 11 £
(Decrease)/Increase in cash in the period	(3,656,693)	3,041,174
Movement in net funds in the period	<u>(3,656,693)</u>	<u>3,041,174</u>
Net funds at 1 April 2011	8,807,430	5,766,256
Net funds at 30 June 2012	<u>£5,150,737</u>	<u>£8,807,430</u>

Analysis of changes in net funds

	At 1 Apr 2011 £	Cash flows £	At 30 Jun 2012 £
Net cash			
Cash in hand and at bank	8,807,430	(3,656,693)	5,150,737
Net funds	<u>£8,807,430</u>	<u>£(3,656,693)</u>	<u>£5,150,737</u>

23. Ultimate parent company

On 22 June 2012, the shares in the company were acquired by Sequel Business Holdings Limited. At the balance sheet date, Sequel Business Holdings Limited was the ultimate parent company.

Sequel Business Holdings Limited was incorporated on 31 May 2012. The first group accounts will be prepared to 30 June 2013.

Sequel Business Solutions Limited

Notes to the Financial Statements

Period from 1 April 2011 to 30 June 2012

24. Ultimate controlling party

The company was under the control of the directors by virtue of their shareholdings in the company. From 22 June 2012, the company was under the control of the directors by virtue of their shareholdings in Sequel Business Holdings Limited.