

HOLDINGHAM GROUP LIMITED
(Formerly HAKLUYT & COMPANY LIMITED)

FINANCIAL STATEMENTS

For the year ended 30 June 2011



HOLDINGHAM GROUP LIMITED

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HOLDINGHAM GROUP LIMITED

COMPANY INFORMATION

As at 30 June 2011

The Board of Directors

Niall FitzGerald KBE (Chairman)
Keith Craig
Mark Getty (resigned 26 October 2011)
Sir Kieran Prendergast
Sir John Rose (appointed 1 January 2012)
Robert Webb QC
Matthew Williams (appointed 1 January 2012)

Company Secretary

Edward Nottingham

Registered Office

34 Upper Brook Street
London
W1K 7QS

Auditor

Chiene + Tait
Chartered Accountants
& Statutory Auditor
61 Dublin Street
Edinburgh
EH3 6NL

Bankers

Coutts & Co
440 Strand
London
WC2R 0QS

Solicitors

Addleshaw Goddard
Milton Gate
60 Chiswell Street
London
EC1Y 4AG

HOLDINGHAM GROUP LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 30 JUNE 2011

The directors have pleasure in presenting their report and the financial statements of the company and its subsidiary undertakings for the year ended 30 June 2011

Principal activity and change of name

The principal activity of the company and group during the year was the research and supply of information for the use of commerce

On 30 November 2011 the company passed a special resolution to change the company's name from Hakluyt & Company Limited to Holdingham Group Limited

Business review

The directors are pleased to report good results, with turnover increasing by 26% to £28.7m and profit for the financial year by 10% to £5.6m. Figures include the first three months of trading from the company's new subsidiary, Hakluyt & Company (US) Limited. The Board anticipates further growth in the year ahead.

Total dividends for the year amounted to £4.80 per share, up from £3.70 per share last year. Particulars of dividends are detailed in Note 7 to the financial statements. The balance sheet remains strong, with net assets increasing from £6.6m to £6.8m, despite share buybacks made during the year.

Risk management

The Board continues to place great emphasis on risk management as an integral part of good corporate governance. They keep under constant review the major risks to which the company is exposed and are satisfied that a system of continuing assessment is in place to mitigate any exposure. Such risks include strategic, financial and operational considerations as well as other issues of vital importance to the company concerning reputation, conflicts of interest and compliance with applicable legal and regulatory requirements.

Financial risk management objectives and policies

The company manages its cash and borrowing requirements to maximise interest income and minimise interest expenses, whilst ensuring that the company has sufficient liquid resources to meet the operating needs of its business.

Investment of cash surpluses are made through banks which must fulfill credit rating criteria approved by the Board.

The Board satisfies itself as to the standing of potential clients. Receivable balances are monitored on an ongoing basis and provision is made for doubtful debts where necessary.

The directors and their interests in the shares of the company

The directors who served the company during the year together with their beneficial interests in the shares of the company were as follows:

	Ordinary shares of £0.10 each	
	At 30 June 2011	At 30 June 2010
Niall FitzGerald KBE (Chairman)	44,000	7,000
Keith Craig	98,508	98,508
Mark Getty (resigned 26 October 2011)	10,000	148,500
Sir Kieran Prendergast	10,000	10,000
Robert Webb QC	10,000	15,000

Subsequent to the year end, on 1 January 2012, Sir John Rose and Matthew Williams were appointed as directors of the company.

HOLDINGHAM GROUP LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 30 JUNE 2011

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 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 group and of the company and of the profit or loss of the group 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, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and 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.

The directors confirm that -

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

Donations

During the year the company made the following contributions

	2011 £	2010 £
Charitable donations	<u>13,580</u>	<u>17,455</u>

Auditor

Chiene + Tait are deemed to be re-appointed under section 487(2) of the Companies Act 2006

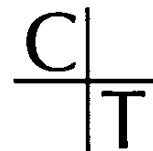
Signed by order of the directors



Edward Nottingham
Company Secretary

Approved by the directors on 18 January 2012

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
HOLDINGHAM GROUP LIMITED**



We have audited the financial statements of Holdingham Group Limited for the year ended 30 June 2011 which comprise the Group Profit and Loss Account, the Group and Parent Company Balance Sheets, the Group 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 group and 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 group and 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 the law, we do not accept or assume any responsibility to anyone other than the company and the group and 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 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the group's and the parent 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

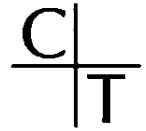
In our opinion the financial statements

- give a true and fair view of the state of the group's and of the parent company's affairs as at 30 June 2011 and of the group's 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.

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



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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company 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

Malcolm A Beveridge

Malcolm Beveridge BA CA (Senior Statutory Auditor)
For and on behalf of
CHIENE + TAIT
Chartered Accountants & Statutory Auditor
61 Dublin Street
Edinburgh
EH3 6NL

20 JANUARY 2012

HOLDINGHAM GROUP LIMITED

CONSOLIDATED PROFIT and LOSS ACCOUNT

For the year ended 30 June 2011

	Note	2011 £	2010 £
Turnover	2	28,717,448	22,844,955
Cost of sales		(4,873,088)	(3,957,831)
Gross profit		<u>23,844,360</u>	<u>18,887,124</u>
Administrative expenses		(16,664,951)	(13,030,157)
Group operating profit	3	<u>7,179,409</u>	<u>5,856,967</u>
Interest receivable		40,696	14,424
Profit on ordinary activities before taxation		<u>7,220,105</u>	<u>5,871,391</u>
Taxation on profit on ordinary activities	6	(1,585,913)	(758,429)
Profit for the financial year	22	<u><u>5,634,192</u></u>	<u><u>5,112,962</u></u>

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

A statement of recognised gains and losses is not shown as all gains and losses are recognised in the profit and loss account

All of the activities of the group are classed as continuing

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

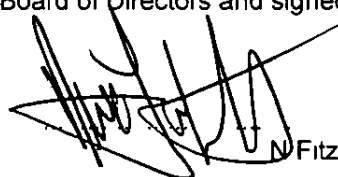
HOLDINGHAM GROUP LIMITED

CONSOLIDATED BALANCE SHEET

As at 30 June 2011

	Note	2011 £	£	2010 £	£
Fixed assets					
Tangible assets	8	2,141,638		2,147,142	
Investments	10	157,487		75,297	
			2,299,125		2,222,439
Current assets					
Work in progress	12	101,931		53,718	
Debtors	13	7,624,432		6,384,416	
Cash at bank and in hand		6,324,967		1,614,243	
		14,051,330		8,052,377	
Creditors Amounts falling due within one year	14	9,505,865		3,666,319	
Net current assets			4,545,465		4,386,058
Net assets			6,844,590		6,608,497
			=====		=====
Capital and reserves					
Called up equity share capital	18	68,906		68,906	
Share premium account	19	1,335,900		1,335,900	
Capital redemption reserve	21	19,700		19,700	
Profit and loss account	22	13,514,198		9,213,726	
			14,938,704		10,638,232
Own shares – Employee Benefit Trust	20	(8,094,114)		(4,029,735)	
Shareholders' funds	23	6,844,590		6,608,497	
			=====		=====

Approved by the Board of Directors and signed on its behalf by


N FitzGerald

18 January 2012

Company Registration Number - 03481321

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

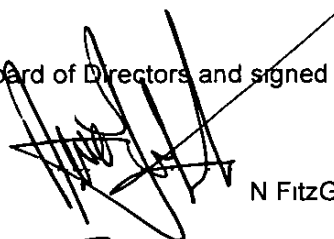
HOLDINGHAM GROUP LIMITED

COMPANY BALANCE SHEET

As at 30 June 2011

	Note	2011		2010	
		£	£	£	£
Fixed assets					
Tangible assets	9	2,136,158		2,146,302	
Investments	11	222,825		75,298	
		<u>2,358,983</u>		<u>2,221,600</u>	
Current assets					
Work In Progress	12	100,117		45,091	
Debtors	13	6,391,537		5,687,685	
Cash at bank and in hand		5,623,103		1,402,845	
		<u>12,114,757</u>		<u>7,135,621</u>	
Creditors Amounts due within one year	14	8,447,623		3,340,962	
Net current assets		<u>3,667,134</u>		<u>3,794,659</u>	
Net assets		<u>6,026,117</u>		<u>6,016,259</u>	
Capital and reserves					
Called up share capital	18	68,906		68,906	
Share premium account	19	1,335,900		1,335,900	
Capital redemption reserve	21	19,700		19,700	
Profit and loss account	22	12,695,725		8,621,488	
		<u>14,120,231</u>		<u>10,045,994</u>	
Own shares – Employee Benefit Trust	20	(8,094,114)		(4,029,735)	
Shareholders' funds	23	<u>6,026,117</u>		<u>6,016,259</u>	

Approved by the Board of Directors and signed on its behalf by



N FitzGerald

18 January 2012

Company Registration Number - 03481321

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

HOLDINGHAM GROUP LIMITED**CONSOLIDATED CASH FLOW STATEMENT****For the year ended 30 June 2011**

	Note	2011 £	2010 £
Net cash inflow/(outflow) from operating activities	24(i)	13,308,318	(361,899)
Returns on investments and servicing of finance			
Interest received		13,778	14,424
Taxation		(1,721,866)	(676,597)
Capital expenditure			
Payments to acquire tangible fixed assets		(84,273)	(50,187)
Purchase of investments		(82,190)	-
		<u>(166,463)</u>	<u>(50,187)</u>
Equity dividends paid		<u>(815,159)</u>	<u>(2,138,382)</u>
Cash inflow/(outflow) before financing		<u>10,618,608</u>	<u>(3,212,641)</u>
Financing			
Net purchase of shares by Employee Benefit Trust		(5,907,884)	(3,163,116)
Increase/(decrease) in cash	24(ii)	<u><u>4,710,724</u></u>	<u><u>(6,375,757)</u></u>

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

HOLDINGHAM GROUP LIMITED

NOTES to the FINANCIAL STATEMENTS

For the year ended 30 June 2011

1 Accounting policies

Accounting convention

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

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company for the year ended 30 June 2011 and of its subsidiary companies, Hakluyt & Company (Singapore) PTE Limited and Hakluyt & Company (US) Limited, for the same period. Hakluyt & Company (US) Limited was incorporated on 8 September 2010 and began trading on 1 April 2011.

The company has taken advantage of the exemptions under section 408 of the Companies Act 2006 not to prepare an individual profit and loss account for the parent company. The profit for the year dealt with in the financial statements of the company was £6,142,915 (2010: £4,730,322).

Turnover

Turnover represents the amounts derived from the provision of research and information supply services which fall within the company's ordinary activities stated net of value added tax.

Tangible fixed assets

All fixed assets are initially recorded at cost.

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	-	10% Reducing balance
Office Equipment	-	25% Reducing balance
Furniture and Fittings	-	20% Reducing balance
Computer Equipment	-	33% Straight line

Depreciation is not charged on long leasehold property as the charge would be immaterial due to the length of the useful economic life of the property.

In accordance with Financial Reporting Standard 15 an impairment review under Financial Reporting Standard 11 is performed on this property. The results of this review showed that the recoverable amount is in excess of the carrying amount, and accordingly in the directors' opinion no impairment exists at 30 June 2011.

Work in progress

Work in progress is valued on the basis of the lower of direct costs and net realisable value.

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 contributes to various Personal Pension Plans including a group scheme. The annual contributions payable are charged to the profit and loss account.

HOLDINGHAM GROUP LIMITED

NOTES to the FINANCIAL STATEMENTS (Contd)

For the year ended 30 June 2011

1 Accounting policies (Contd)

Deferred taxation

Deferred tax is provided on the liability method to take account of timing differences between the treatment of certain items for accounting purposes and the treatment for tax purposes. Tax deferred is accounted for in respect of all material timing differences. Deferred tax assets are only recognised to the extent that they are regarded as recoverable.

Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date, or where appropriate at the forward contract rate. For transactions in foreign currencies where no foreign currency bank account exists, these are recorded at the rate ruling at the date of the transaction.

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.

Investments

Investments held as fixed assets are stated at cost less provision for any permanent diminution in value.

Share-based payments

In accordance with FRS 20 the company reflects the economic cost of awarding shares and options to employees by recording an expense in the profit and loss account equal to the fair value of the benefit awarded, fair value being determined by reference to option pricing models. The expense is recognised in the profit and loss account over the vesting period.

The calculation of the fair values of the share options issued by the company has been based upon the Black-Scholes pricing model together with a number of subjective assumptions, the most significant of which is that the expected volatility of the company's shares will be 40%.

Employee Benefit Trust

The assets and liabilities of the Hakluyt Employee Benefit Trust are included in the financial statements. Any assets of the Employee Benefit Trust cease to be recognised on the balance sheet when the assets vest unconditionally in beneficiaries. The cost of company shares held by the Employee Benefit Trust at the year end is shown as a deduction against shareholders' funds.

2. Turnover

Geographical Segments

The directors are of the opinion that disclosure of segmental information would be prejudicial to the group's interests, and consequently such information has not been disclosed.

HOLDINGHAM GROUP LIMITED**NOTES to the FINANCIAL STATEMENTS (Contd)****For the year ended 30 June 2011**

3. Operating profit	2011	2010
	£	£
This is stated after charging/(crediting)		
Depreciation of own fixed assets	89,777	80,529
Operating lease/rental – property	213,827	170,058
Operating lease/rental – other	3,828	3,828
Auditor's remuneration – Parent company		
– as auditors	11,750	9,950
– for other services	47,532	61,954
Auditor's remuneration – Subsidiary undertaking		
– as auditors	8,500	3,500
– for other services	8,762	-
Net loss/(gain) on foreign currency translation	71,983	(53,573)
	=====	=====

4. Particulars of employees

The aggregate payroll costs were	2011	2010
	£	£
Wages and salaries	8,874,289	8,099,743
Social security costs	1,050,314	1,005,045
Other pension costs	990,274	326,281
Equity-settled share based payments	1,324,944	711,573
	-----	-----
	12,239,821	10,142,642
	=====	=====
	No	No
The average number of employees during the year	41	35
	=====	=====

5. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services were	2011	2010
	£	£
Remuneration receivable	1,155,697	1,166,330
Value of company pension contributions to money purchase schemes	132,268	24,200
	-----	-----
	1,287,965	1,190,530
	=====	=====

Remuneration of highest paid director.

	2011	2010
	£	£
Total remuneration (excluding pension contributions)	1,026,397	971,330
Value of company pension contributions to money purchase schemes	132,268	24,200
	-----	-----
	1,158,665	995,530
	=====	=====

HOLDINGHAM GROUP LIMITED**NOTES to the FINANCIAL STATEMENTS (Contd)****For the year ended 30 June 2011****5. Directors' remuneration (Contd)**

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

	2011	2010
	No	No
Money purchase schemes	1	1
	==	==

The number of directors who exercised share options during the year were as follows

	2011	2010
	No	No
Directors who exercised share options	1	-
	==	==

6. Tax on profit on ordinary activities

	2011	2010
	£	£
(a) Analysis of charge in the year		
Current tax		
UK Corporation tax based on the results for the year at 28%/26% (2010 28%)	1,808,529	884,331
Over provision in prior year	-	(6,597)
Total current tax	1,808,529	877,734
Deferred tax		
Origination and reversal of timing differences	(222,616)	(119,305)
Tax in profit on ordinary activities	1,585,913	758,429
	=====	=====
(b) Factors affecting current tax charge		
Profit on ordinary activities before taxation	7,220,105	5,871,391
	=====	=====
Profit on ordinary activities by rate of tax	1,985,628	1,643,989
Expenses not deductible for tax purpose	83,433	58,602
Equity-settled share-based payments	162,254	140,553
Losses carried forward	41,686	-
Capital allowances for period in excess of depreciation	(4,106)	(519)
Other timing differences	178,471	(9,673)
Employee share deductions	(562,283)	(846,530)
Adjustment to tax charge in respect of previous periods	-	(6,597)
Tax rate differences	(76,554)	(102,091)
	1,808,529	877,734
	=====	=====

HOLDINGHAM GROUP LIMITED

NOTES to the FINANCIAL STATEMENTS (Contd)

For the year ended 30 June 2011

7. Dividends

Equity dividends	2011 £	2010 £
First interim dividend paid of £1 48 per share (2010 £1 25 per share)	815,159	716,573
Second interim dividend paid (2010 £2 45 per share)	-	1,421,809
	<u>815,159</u>	<u>2,138,382</u>
	=====	=====
Second interim dividend proposed of £3 32 per share (paid since year end)	1,736,871	-
	<u>1,736,871</u>	<u>-</u>
	=====	=====

8 Tangible fixed assets (Group)

	Long Leasehold Property £	Office Equipment £	Furniture & Fittings £	Computer Equipment £	Total £
Cost					
At 1 July 2010	2,133,997	85,068	105,049	247,990	2,572,104
Additions	-	6,683	3,783	73,807	84,273
	<u>2,133,997</u>	<u>91,751</u>	<u>108,832</u>	<u>321,797</u>	<u>2,656,377</u>
	=====	=====	=====	=====	=====
Depreciation					
At 1 July 2010	99,769	64,560	91,964	168,669	424,962
Charge for the year	19,703	5,338	5,444	59,292	89,777
	<u>119,472</u>	<u>69,898</u>	<u>97,408</u>	<u>227,961</u>	<u>514,739</u>
	=====	=====	=====	=====	=====
Net book value					
At 30 June 2011	<u>2,014,525</u>	<u>21,853</u>	<u>11,424</u>	<u>93,836</u>	<u>2,141,638</u>
	=====	=====	=====	=====	=====
At 30 June 2010	<u>2,034,228</u>	<u>20,508</u>	<u>13,085</u>	<u>79,321</u>	<u>2,147,142</u>
	=====	=====	=====	=====	=====

HOLDINGHAM GROUP LIMITED

NOTES to the FINANCIAL STATEMENTS (Contd)

For the year ended 30 June 2011

9. Tangible fixed assets (Company)

	Long Leasehold Property £	Office Equipment £	Furniture & Fittings £	Computer Equipment £	Total £
Cost					
At 1 July 2010	2,133,997	83,948	105,049	247,990	2,570,984
Additions	-	1,730	3,783	73,807	79,320
At 30 June 2011	2,133,997	85,678	108,832	321,797	2,650,304
Depreciation					
At 1 July 2010	99,769	64,280	91,964	168,669	424,682
Charge for the year	19,703	5,025	5,444	59,292	89,464
At 30 June 2011	119,472	69,305	97,408	227,961	514,146
Net book value					
At 30 June 2011	2,014,525	16,373	11,424	93,836	2,136,158
At 30 June 2010	2,034,228	19,668	13,085	79,321	2,146,302

10. Investments (Group)

	Unlisted Investments £	Manuscripts and Antiques £	Total £
Cost			
At 1 July 2010	-	75,297	75,297
Additions	82,190	-	82,190
At 30 June 2011	82,190	75,297	157,487
Net book value			
At 30 June 2011	82,190	75,297	157,487
At 30 June 2010	-	75,297	75,297

HOLDINGHAM GROUP LIMITED

NOTES to the FINANCIAL STATEMENTS (Contd)

For the year ended 30 June 2011

11. Investments (Company)

	Shareholdings in Group Companies £	Unlisted Investments £	Manuscripts and Antiques £	Total £
Cost				
At 1 July 2010	1	-	75,297	75,298
Additions	65,337	82,190	-	147,527
At 30 June 2011	65,338	82,190	75,297	222,825
Net book value				
At 30 June 2011	65,388	82,190	75,297	222,825
At 30 June 2010	1	-	75,297	75,298

Investments in subsidiaries during the year consisted of 100% of the issued share capital of Hakluyt & Company (Singapore) PTE Limited, a company incorporated in Singapore and Hakluyt & Company (US) Limited, a company incorporated in the USA. Hakluyt & Company (Singapore) PTE Limited was incorporated on 23 April 2009 and the company commenced trading on 1 July 2009. Hakluyt US was incorporated on 8 September 2010 and the company commenced trading on 1 April 2011.

In addition, the company also owns 100% of the issued share capital of Voyager Business Consulting Limited, a company incorporated in England on 13 June 2011, and Chai Consulting Limited, a company incorporated in Guernsey on 14 June 2011. Both of these companies were dormant throughout the period to 30 June 2011.

12. Work In Progress

	2011		2010	
	Group £	Company £	Group £	Company £
Work in progress	101,931	100,117	53,718	45,091

13. Debtors

	2011		2010	
	Group £	Company £	Group £	Company £
Trade debtors	5,206,966	3,787,266	4,917,469	3,936,713
Amounts owed by group undertakings	-	347,126	-	381,692
S419 tax recoverable	225,000	225,000	705,000	705,000
Other debtors	156,931	57,629	60,462	20,697
Director's loan account	900,000	900,000	-	-
Prepayments and accrued income	801,794	740,775	590,360	532,458
Deferred tax asset (note 15)	333,741	333,741	111,125	111,125
	7,624,432	6,391,537	6,384,416	5,687,685

The director's loan account relates to a loan to Niall FitzGerald of £900,000 (2010: £nil). Interest is being accrued on the loan at the rate of 4% per annum. As at 30 June 2011, interest of £27,000 has been accrued and is included within prepayments and accrued income.

HOLDINGHAM GROUP LIMITED

NOTES to the FINANCIAL STATEMENTS (Contd)

For the year ended 30 June 2011

14. Creditors* Amounts falling due within one year

	2011		2010	
	Group £	Company £	Group £	Company £
Trade creditors	678,410	665,198	436,303	455,312
Corporation tax	1,065,994	792,360	979,331	761,331
Other taxes and social security costs	636,841	594,698	718,419	699,976
Other creditors	508	3,509	56,140	56,140
Accruals and deferred income	7,124,112	6,391,858	1,476,126	1,368,203
	<u>9,505,865</u>	<u>8,447,623</u>	<u>3,666,319</u>	<u>3,340,962</u>
	=====	=====	=====	=====

15. Deferred tax

	2011		2010	
	Group £	Company £	Group £	Company £
The deferred tax included in the balance sheet is as follows				
Provision for deferred tax	(333,741)	(333,741)	(111,125)	(111,125)
	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>

The movement in the deferred taxation account during the year was

Balance brought forward	(111,125)	(111,125)	8,180	8,180
Profit and loss account movement arising during prior year	-	-	(220,504)	(220,504)
Profit and loss account movement arising during the year	(222,616)	(222,616)	101,199	101,199
	<u>(333,741)</u>	<u>(333,741)</u>	<u>(111,125)</u>	<u>(111,125)</u>
	=====	=====	=====	=====

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

Excess of taxation allowances over depreciation on fixed assets	40,983	40,983	34,438	34,438
Short term timing differences	(374,724)	(374,724)	(145,563)	(145,563)
	<u>(333,741)</u>	<u>(333,741)</u>	<u>(111,125)</u>	<u>(111,125)</u>
	=====	=====	=====	=====

16. Pensions

The company contributes to various Personal Pension Plans including a group scheme. The pension cost charge represents contributions payable by the company to the Plans and amounted to £990,274 (2010 £326,281). At 30 June 2011 pension contributions of £649,283 were outstanding (2010 £27,331).

HOLDINGHAM GROUP LIMITED**NOTES to the FINANCIAL STATEMENTS (Contd)****For the year ended 30 June 2011****17. Commitments under operating leases**

At 30 June 2011 the group had annual commitments under non-cancellable operating leases as set out below

	2011	Other	2010	Other
	Land and	Items	Land and	Items
	Buildings		Buildings	
	£	£	£	£
Operating leases which expire				
In less than one year	166,847	-	-	-
Within 1 to 2 years	198,476	-	27,058	-
Within 2 to 5 years	-	3,828	135,850	3,828
	=====	=====	=====	=====

At 30 June 2011 the company had annual commitments under non-cancellable operating leases as set out below

	2011	Other	2010	Other
	Land and	Items	Land and	Items
	Buildings		Buildings	
	£	£	£	£
Operating leases which expire				
Within 1 to 2 years	135,850	-	-	-
Within 2 to 5 years	-	3,828	135,850	3,828
	=====	=====	=====	=====

The operating lease for land and buildings relates to rent for the Company's premises in London. The group operating lease commitment relates to the rent of serviced office and other accommodation in Singapore and the USA. Other items relate to the lease of a photocopier.

18. Share capital

Authorised share capital:	2011	2010
	£	£
1,000,000 Ordinary shares of £0.10 each	100,000	100,000
	=====	=====

Allotted, called up and fully paid:

	2011		2010	
	No	£	No	£
Ordinary shares of £0.10 each	689,060	68,906	689,060	68,906
	=====	=====	=====	=====

19. Share premium account

There was no movement on the share premium account during the financial year.

HOLDINGHAM GROUP LIMITED

NOTES to the FINANCIAL STATEMENTS (Contd)

For the year ended 30 June 2011

20. Employee Benefit Trust (Group and Company)

	2011 £	2010 £
Own shares – Employee Benefit Trust	8,094,114 =====	4,029,735 =====

The Employee Benefit Trust holds shares solely for distribution to employees. During the year the Trust purchased 172,884 shares in the company and distributed 109,803 shares to employees. At 30 June 2011 the Trust held 165,906 shares (2010 102,825 shares) which had not vested in the employees and in accordance with the provisions of UITF 38 the cost of those shares held is deducted from shareholders' funds.

21. Capital redemption reserve

	2011 £	2010 £
Capital redemption reserve	19,700 =====	19,700 =====

22. Profit and loss account

	2011		2010	
	Group £	Company £	Group £	Company £
Balance at 1 July 2010	9,213,726	8,621,488	7,781,734	7,781,734
Profit for the year	5,634,192	6,142,915	5,112,962	4,730,322
First interim dividend paid	(815,159)	(815,159)	(716,573)	(716,573)
Second interim dividend paid	-	-	(1,421,809)	(1,421,809)
Loss on sale of own shares – EBT	(1,843,505)	(1,843,505)	(2,254,161)	(2,254,161)
	12,189,254	12,105,739	8,502,153	8,119,513
Recognition of equity settled share based payments and contributions	1,324,944	589,986	711,573	501,975
Balance carried forward at 30 June 2011	13,514,198 =====	12,695,725 =====	9,213,726 =====	8,621,488 =====

HOLDINGHAM GROUP LIMITED

NOTES to the FINANCIAL STATEMENTS (Contd)

For the year ended 30 June 2011

23. Reconciliation of movements in shareholders' funds

	Group £	2011 Company £	Group £	2010 Company £
Profit for the year	5,634,192	6,142,915	5,112,962	4,730,322
First interim dividend paid	(815,159)	(815,159)	(716,573)	(716,573)
Second interim dividend paid	-	-	(1,421,809)	(1,421,809)
Loss on sale of own shares – EBT	(1,843,505)	(1,843,505)	(2,254,161)	(2,254,161)
Recognition of equity settled share based payments and contributions	1,324,944	589,986	711,573	501,975
	4,300,472	4,074,237	1,431,992	839,754
Movement on own shares – Employee Benefit Trust (below)	(4,064,379)	(4,064,379)	(908,955)	(908,955)
Net addition to/(reduction in) shareholders' funds	236,093	9,858	523,037	(69,201)
Opening shareholders' funds	6,608,497	6,016,259	6,085,460	6,085,460
Closing shareholders' funds	6,844,590	6,026,117	6,608,497	6,016,259
	=====	=====	=====	=====

Movement on own shares – Employee Benefit Trust (Group and Company)

	2011 £	2010 £
Purchase of own shares	(8,380,212)	(4,254,310)
Sale of own shares	2,472,328	1,091,194
Loss on sale of own shares	1,843,505	2,254,161
Movement in year	(4,064,379)	(908,955)
Balance brought forward	(4,029,735)	(3,120,780)
Balance carried forward	(8,094,114)	(4,029,735)
	=====	=====

24. Notes to the cash flow statement

(i) Reconciliation of operating profit to net cash inflow from operating activities

	2011 £	2010 £
Operating profit	7,179,409	5,856,967
Depreciation	89,777	80,529
(Increase)/decrease in work in progress	(48,213)	61,176
(Increase)/decrease in debtors	(990,482)	(3,021,524)
Increase/(decrease) in creditors	5,752,883	(4,050,620)
Equity share based payments	1,324,944	711,573
Net cash inflow/(outflow) from operating activities	13,308,318	(361,899)
	=====	=====

HOLDINGHAM GROUP LIMITED**NOTES to the FINANCIAL STATEMENTS (Contd)****For the year ended 30 June 2011****24. Notes to the cash flow statement (Contd)****(ii) Reconciliation of net cash flow to movement in net funds**

Increase/(decrease) in cash	4,710,724	(6,375,757)
Change in net funds	4,710,724	(6,375,757)
Opening net funds	1,614,243	7,990,000
Closing net funds	6,324,967	1,614,243
	=====	=====

(iii) Analysis of changes in net funds

	At 1 July 2010 £	Cash Flows £	At 30 June 2011 £
Cash at bank and in hand	1,614,243	4,710,724	6,324,967
Total	1,614,243	4,710,724	6,324,967
	=====	=====	=====

25. Capital commitments

There were no amounts contracted for but not provided in the financial statements at 30 June 2011 (2010 - £Nil)

26. Equity settled share based payment transactions

Certain employees hold options to subscribe for shares in the company at prices ranging from £0 00 to £41 00 under share options granted up until 30 June 2011

The remaining options outstanding under approved schemes at 30 June 2011 are shown below

Number of shares		Option exercise price	Date granted	Option exercise period
2011	2010			
1,633	3,267	£12 24	Apr 2006	Dec 2008 - Dec 2013
-	334	£15 00	Sep 2006	Jul 2009 - Jul 2014
-	5,333	£15 00	Feb 2007	Dec 2009 - Dec 2014
4,266	13,532	£15 00	May 2007	Apr 2010 - Apr 2015
4,427	14,277	£18 80	Nov 2007	Nov 2010 - Nov 2015
-	4,000	£18 80	Mar 2008	Mar 2011 - Mar 2016
6,098	6,221	£26 00	Nov 2008	Nov 2011 - Nov 2016
3,985	3,985	£0 00	Mar 2010	Mar 2013 - Mar 2018
2,900	-	£0 00	Oct 2010	Sep 2013 - Sep 2018
23,309	50,949			
=====	=====			

HOLDINGHAM GROUP LIMITED

NOTES to the FINANCIAL STATEMENTS (Contd)

For the year ended 30 June 2011

26. Equity settled share based payment transactions (Contd)

The remaining options outstanding under unapproved schemes at 30 June 2011 are shown below

Number of shares 2011	2010	Option exercise price	Date granted	Option exercise period
15,840	15,840	£12 24 - £15 30	Apr 2006	Apr 2006 - Dec 2013
-	4,133	£15 00 - £18 75	Feb 2007	Feb 2007 - Jul 2014
13,466	20,266	£15 00 - £18 75	May 2007	May 2007 - Apr 2015
2,745	2,745	£18 80 - £23 50	Nov 2007	Nov 2007 - Nov 2015
1,064	7,000	£18 80 - £23 50	May 2008	May 2008 - May 2016
1,064	1,064	£18 80 - £23 50	Jul 2008	Jul 2008 - Jul 2016
2,631	3,508	£26 00 - £32 50	Nov 2008	Nov 2008 - Nov 2016
5,142	5,142	£26 00 - £32 50	Jun 2009	Jun 2009 - Nov 2016
610	610	£32 80 - £41 00	Dec 2009	Dec 2012 - Dec 2017
-	29,197	£12 24	Mar 2010	Mar 2011 - Mar 2018
2,646	-	£32 80 - £41 00	Sep 2010	Sep 2010 - Sep 2018
510	-	£39 20 - £41 00	Nov 2010	Nov 2010 - Nov 2018
510	-	£39 20 - £41 00	Dec 2010	Dec 2010 - Dec 2018
46,228	89,505			
=====	=====			

The model inputs for awards in the year were

	2011	2010
• Share price at grant date	£41 00 - £49 00	£32 50 - £41 00
• Exercise price	£0 00 - £49 00	£0 00 - £41 00
• Expected volatility	40%	40%
• Expected life	3 years	3 years
• Risk-free interest rate	1 082% - 1 313%	0 83% - 1 89%
• Dividend yield	5 92% - 7 07%	6 10% - 7 69%

The expected volatility is based on historic volatility over the prior three years of companies listed on AIM providing similar services. The risk free rate of return is the yield on zero-coupon UK government bonds of a term consistent with the assumed option life

Further details of the two share option plans are as follows

	Number of options	2011 weighted average	Number of options	2010 weighted average
Outstanding at start of year	140,454	£15 65	227,506	£14 37
Granted	7,630	£19 24	33,792	£11 17
Forfeited	123	£26 00	30,320	£12 51
Exercised	78,424	£15 05	90,524	£13 10
Outstanding at end of year	69,537	£16 71	140,454	£15 65
Exercisable at end of year	43,441	£14 61	62,705	£14 16

The weighted average remaining contractual life of share options outstanding at 30 June 2011 was 4.4 years (2010 5.6 years)