

HOLDINGHAM GROUP LIMITED

FINANCIAL STATEMENTS

For the year ended 30 June 2012



HOLDINGHAM GROUP LIMITED

Contents	Page
Company Information	2
Directors' Report	3 - 4
Independent Auditor's Report to the shareholders	5 - 6
Profit and Loss Account – Consolidated	7
Balance Sheet – Consolidated	8
Balance Sheet – Company	9
Cashflow Statement – Consolidated	10
Notes to the Financial Statements	11 - 23

HOLDINGHAM GROUP LIMITED

COMPANY INFORMATION

As at 30 June 2012

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 2012

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 2012

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 a strong set of results, with turnover increasing by 17% to £33.6m and profit for the financial year by 14% to £6.4m. Figures include the first full year's trading from Holdingham Group (North America) Limited. The Board anticipates further growth in the year ahead.

Total dividends for the year amounted to £5.24 per share, particulars are detailed in Note 7 to the financial statements. Shareholders' funds increased from £6.8m to £11.9m.

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 2012	At 30 June 2011*
Niall FitzGerald KBE (Chairman)	44,000	44,000
Keith Craig	98,508	98,508
Mark Getty (resigned 26 October 2011)	-	10,000
Sir Kieran Prendergast	10,000	10,000
Robert Webb QC	10,000	10,000
Sir John Rose (appointed 1 January 2012)	1,562	-
Matthew Williams (appointed 1 January 2012)	1,562	3,125*

*Shareholding at date of appointment

HOLDINGHAM GROUP LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 30 JUNE 2012

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

	2012 £	2011 £
Charitable donations	<u>570</u>	<u>13,580</u>

Auditor

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

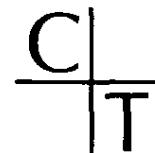
Signed by order of the directors



Edward Nottingham
Company Secretary

Approved by the directors on 24 October 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 2012 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

6 November 2012

HOLDINGHAM GROUP LIMITED**CONSOLIDATED PROFIT and LOSS ACCOUNT****For the year ended 30 June 2012**

	Note	2012 £	2011 £
Turnover	2	33,634,272	28,717,448
Cost of sales		(5,289,332)	(4,873,088)
		-----	-----
Gross profit		28,344,940	23,844,360
Administrative expenses		(20,111,754)	(16,664,951)
		-----	-----
Group operating profit	3	8,233,186	7,179,409
Interest receivable		71,025	40,696
		-----	-----
Profit on ordinary activities before taxation		8,304,211	7,220,105
Taxation on profit on ordinary activities	6	(1,888,614)	(1,585,913)
		-----	-----
Profit for the financial year	23	6,415,597	5,634,192
		=====	=====

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

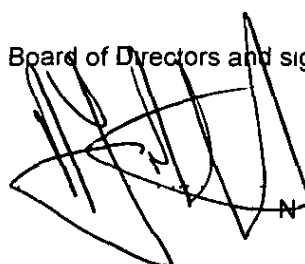
The notes on pages 11 to 23 form part of these financial statements

HOLDINGHAM GROUP LIMITED
CONSOLIDATED BALANCE SHEET

As at 30 June 2012

	Note	2012		2011	
		£	£	£	£
Fixed assets					
Tangible assets	8	2,386,391		2,141,638	
Investments	10	157,487		157,487	
		<u>2,543,878</u>		<u>2,299,125</u>	
Current assets					
Work in progress	12	98,013		101,931	
Debtors	13	9,556,257		7,624,432	
Cash at bank and in hand		12,653,351		6,324,967	
		<u>22,307,621</u>		<u>14,051,330</u>	
Creditors Amounts falling due within one year	14	(12,903,279)		(9,505,865)	
Net current assets		<u>9,404,342</u>		<u>4,545,465</u>	
Total assets less current liabilities		<u>11,948,220</u>		<u>6,844,590</u>	
Creditors Amounts falling due after more than one year	15	(9,406)		-	
Net assets		<u>11,938,814</u>		<u>6,844,590</u>	
		=====		=====	
Capital and reserves					
Called up equity share capital	19	59,500		68,906	
Share premium account	20	1,335,900		1,335,900	
Capital redemption reserve	22	19,700		19,700	
Profit and loss account	23	17,637,056		13,514,198	
		<u>19,052,156</u>		<u>14,938,704</u>	
Own shares – Employee Benefit Trust	21	(7,113,342)		(8,094,114)	
Shareholders' funds	24	<u>11,938,814</u>		<u>6,844,590</u>	
		=====		=====	

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



N FitzGerald

24 October 2012

Company Registration Number - 03481321

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

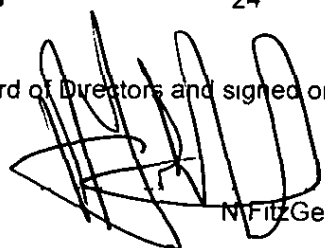
HOLDINGHAM GROUP LIMITED

COMPANY BALANCE SHEET

As at 30 June 2012

	Note	2012		2011	
		£	£	£	£
Fixed assets					
Tangible assets	9	2,376,150		2,136,158	
Investments	11	472,312		222,825	
		<u>2,848,462</u>		<u>2,358,983</u>	
Current assets					
Work In Progress	12	87,272		100,117	
Debtors	13	7,597,090		6,391,537	
Cash at bank and in hand		9,388,976		5,623,103	
		<u>17,073,338</u>		<u>12,114,757</u>	
Creditors Amounts due within one year	14	(10,642,759)		(8,447,623)	
Net current assets		<u>6,430,579</u>		<u>3,667,134</u>	
Total assets less current liabilities		<u>9,279,041</u>		<u>6,026,117</u>	
Creditors Amounts due after more than one year	15	(9,406)		-	
Net assets		<u>9,269,635</u>		<u>6,026,117</u>	
Capital and reserves					
Called up share capital	19	59,500		68,906	
Share premium account	20	1,335,900		1,335,900	
Capital redemption reserve	22	19,700		19,700	
Profit and loss account	23	14,967,877		12,695,725	
		<u>16,382,977</u>		<u>14,120,231</u>	
Own shares – Employee Benefit Trust	21	(7,113,342)		(8,094,114)	
Shareholders' funds	24	<u>9,269,935</u>		<u>6,026,117</u>	

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


M FitzGerald

24 October 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 2012**

	Note	2012 £	2011 £
Net cash inflow from operating activities	25(i)	11,170,530	13,308,318
Returns on investments and servicing of finance			
Interest received		60,432	13,778
Taxation		(2,000,898)	(1,721,866)
Capital expenditure			
Payments to acquire tangible fixed assets		(375,238)	(84,273)
Purchase of investments		-	(82,190)
		<u>(375,238)</u>	<u>(166,463)</u>
Equity dividends paid		<u>(2,762,456)</u>	<u>(815,159)</u>
Cash inflow before financing		6,092,370	10,618,608
Management of liquid resources			
Amounts placed on deposit		(3,500,001)	-
Financing			
Net sale/(purchase) of shares by Employee Benefit Trust		236,014	(5,907,884)
Increase in cash	25(ii)	<u>2,828,383</u>	<u>4,710,724</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 2012

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 2012 and of its subsidiary companies, Holdingham Group (Asia) Pte Limited, Holdingham Group (North America) Limited, and Chai Consulting Limited (Guernsey) for the same period

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 £4,936,254 (2011 £6,142,915)

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 2012

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 2012

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 Holdingham Group 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 2012

3 Operating profit	2012	2011
	£	£
This is stated after charging		
Depreciation of own fixed assets	130,485	89,777
Operating lease/rental – property	193,308	213,827
Operating lease/rental – other	3,828	3,828
Auditor's remuneration		
– as auditors	13,500	11,750
– for other services	43,359	47,532
Net loss on foreign currency translation	25,486	71,983
	=====	=====

4. Particulars of employees

The aggregate payroll costs were	2012	2011
	£	£
Wages and salaries	10,679,539	8,874,289
Social security costs	1,209,840	1,050,314
Other pension costs	529,154	990,274
Equity-settled share based payments	1,214,475	1,324,944
	-----	-----
	13,633,008	12,239,821
	=====	=====

	No	No
The average number of employees during the year	56	41
	=====	=====

5. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services were

	2012	2011
	£	£
Remuneration receivable	1,228,917	1,155,697
Value of company pension contributions to money purchase schemes	8,332	132,268
	-----	-----
	1,237,249	1,287,965
	=====	=====

Remuneration of highest paid director

	2012	2011
	£	£
Total remuneration (excluding pension contributions)	1,125,667	1,026,397
Value of company pension contributions to money purchase schemes	8,332	132,268
	-----	-----
	1,133,999	1,158,665
	=====	=====

HOLDINGHAM GROUP LIMITED

NOTES to the FINANCIAL STATEMENTS (Contd)

For the year ended 30 June 2012

5 Directors' remuneration (Contd)

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

	2012	2011
	No	No
Money purchase schemes	1	1
	==	==

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

	2012	2011
	No	No
Directors who exercised share options	2	1
	==	==

6. Tax on profit on ordinary activities

	2012	2011
	£	£
(a) Analysis of charge in the year		
Current tax		
UK Corporation tax based on the results for the year at 26%/24% (2011 28%/26%)	2,417,064	1,808,529
Over provision in prior year	799	-
	-----	-----
Total current tax	2,417,863	1,808,529
Deferred tax		
Origination and reversal of timing differences – current year	(522,143)	(222,616)
Origination and reversal of timing differences – prior year	(7,106)	-
	-----	-----
Tax in profit on ordinary activities	1,888,614	1,585,913
	=====	=====
(b) Factors affecting current tax charge		
Profit on ordinary activities before taxation	8,304,211	7,220,105
	=====	=====
Profit on ordinary activities by rate of tax	2,117,801	1,985,628
Expenses not deductible for tax purpose	162,571	83,433
Equity-settled share-based payments	215,017	162,254
Losses carried forward	-	41,686
Losses brought forward	(20,634)	-
Capital allowances for period in excess of depreciation	(7,960)	(4,106)
Other timing differences	506,430	178,471
Employee share deductions	(217,044)	(562,283)
Adjustment to tax charge in respect of previous periods	799	-
Tax rate differences	(339,116)	(76,554)
	-----	-----
	2,417,863	1,808,529
	=====	=====

HOLDINGHAM GROUP LIMITED

NOTES to the FINANCIAL STATEMENTS (Contd)

For the year ended 30 June 2012

7 Dividends

Equity dividends	2012 £	2011 £
First interim dividend paid of £3 32 per share (2011 £1 48 per share)	1,736,871	815,159
Second interim dividend paid of £1 92 per share (2011 £nil per share)	1,025,585	-
	<u>2,762,456</u>	<u>815,159</u>
	=====	=====

8. Tangible fixed assets (Group)

	Long Leasehold Property £	Office Equipment £	Furniture & Fittings £	Computer Equipment £	Total £
Cost					
At 1 July 2011	2,133,997	91,751	108,832	321,797	2,656,377
Additions	-	11,282	22,158	341,798	375,238
	<u>2,133,997</u>	<u>103,033</u>	<u>130,990</u>	<u>663,595</u>	<u>3,031,615</u>
At 30 June 2012					
Depreciation					
At 1 July 2011	119,472	69,898	97,408	227,961	514,739
Charge for the year	17,732	7,861	1,509	103,383	130,485
	<u>137,204</u>	<u>77,759</u>	<u>98,917</u>	<u>331,344</u>	<u>645,224</u>
At 30 June 2012					
Net book value					
At 30 June 2012	<u>1,996,793</u>	<u>25,274</u>	<u>32,073</u>	<u>332,251</u>	<u>2,386,391</u>
	=====	=====	=====	=====	=====
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>
	=====	=====	=====	=====	=====

HOLDINGHAM GROUP LIMITED

NOTES to the FINANCIAL STATEMENTS (Contd)

For the year ended 30 June 2012

9 Tangible fixed assets (Company)

	Long Leasehold Property £	Office Equipment £	Furniture & Fittings £	Computer Equipment £	Total £
Cost					
At 1 July 2011	2,133,997	85,678	108,832	321,797	2,650,304
Additions	-	7,318	22,158	337,544	367,020
At 30 June 2012	2,133,997	92,996	130,990	659,341	3,017,324
Depreciation					
At 1 July 2011	119,472	69,305	97,408	227,961	514,146
Charge for the year	17,732	5,582	1,509	102,205	127,028
At 30 June 2012	137,204	74,887	98,917	330,166	641,174
Net book value					
At 30 June 2012	1,996,793	18,109	32,073	329,175	2,376,150
At 30 June 2011	2,014,525	16,373	11,424	93,836	2,136,158

10 Investments (Group)

	Unlisted Investments £	Manuscripts and Antiques £	Total £
Cost			
At 1 July 2011 and 30 June 2012	82,190	75,297	157,487
Net book value			
At 30 June 2012	82,190	75,297	157,487
At 30 June 2011	82,190	75,297	157,487

HOLDINGHAM GROUP LIMITED

NOTES to the FINANCIAL STATEMENTS (Contd)

For the year ended 30 June 2012

11. Investments (Company)

	Shareholdings in Group Companies £	Unlisted Investments £	Manuscripts and Antiques £	Total £
Cost				
At 1 July 2011	65,338	82,190	75,297	222,825
Additions	249,487	-	-	249,487
At 30 June 2012	314,825	82,190	75,297	472,312
Net book value				
At 30 June 2012	314,825	82,190	75,297	472,312
	=====	=====	=====	=====
At 30 June 2011	65,388	82,190	75,297	222,825
	=====	=====	=====	=====

Investments in subsidiaries during the year consisted of 100% of the issued share capital of Holdingham Group (Asia) Pte Ltd, a company incorporated in Singapore, Holdingham Group (North America) Limited, a company incorporated in the USA, and Chai Consulting Limited, a company incorporated in Guernsey. Chai Consulting Limited was incorporated on 14 June 2011 and commenced trading on 31 October 2011.

In addition, the company also owns 100% of the issued share capital of Voyager Business Consulting Limited, Hakluyt & Company Limited (incorporated in England on 19 June 2012) and Pelorus Research Limited (incorporated in England on 19 June 2012). These companies were all dormant throughout the period to 30 June 2012.

12. Work In Progress

	2012		2011	
	Group £	Company £	Group £	Company £
Work in progress	98,013	87,272	101,931	100,117
	=====	=====	=====	=====

13. Debtors

	2012		2011	
	Group £	Company £	Group £	Company £
Trade debtors	5,951,795	4,042,885	5,206,966	3,787,266
Amounts owed by group undertakings	-	462,570	-	347,126
S455 tax recoverable	225,000	225,000	225,000	225,000
Other debtors	107,745	4,827	156,931	57,629
Director's loan account	900,000	900,000	900,000	900,000
Prepayments and accrued income	1,508,727	1,098,818	801,794	740,775
Deferred tax asset (note 16)	862,990	862,990	333,741	333,741
	9,556,257	7,597,090	7,624,432	6,391,537
	=====	=====	=====	=====

The director's loan account relates to a loan to Niall FitzGerald of £900,000 (2011 £900,000). Interest is being accrued on the loan at the rate of 4% per annum. As at 30 June 2012, interest of £36,000 (2011 £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 2012

14. Creditors: Amounts falling due within one year

	2012		2011	
	Group	Company	Group	Company
	£	£	£	£
Trade creditors	1,049,065	899,625	678,410	665,198
Amounts owed to group undertakings	-	123,265	-	-
Corporation tax	1,482,960	935,965	1,065,994	792,360
Other taxes and social security costs	645,088	645,133	636,841	594,698
Other creditors	1,136	1,136	508	3,509
Accruals and deferred income	9,725,030	8,037,635	7,124,112	6,391,858
	<u>12,903,279</u>	<u>10,642,759</u>	<u>9,505,865</u>	<u>8,447,623</u>
	=====	=====	=====	=====

15. Creditors: Amounts falling due after more than one year

	2012		2011	
Preference share capital – authorised, issued and fully paid				
10% £0 10 non-redeemable preference shares				
	Shares	£	Shares	£
At 1 July 2011	-	-	-	-
Conversion from Ordinary shares (note 19)	94,060	9,406	-	-
	<u>94,060</u>	<u>9,406</u>	<u>-</u>	<u>-</u>
At 30 June 2012	94,060	9,406	-	-
	=====	=====	=====	=====

The 10% preference shares of £0 10 are non-redeemable. Shareholders are entitled to a dividend at 10% per annum on the par value of the shares payable on 31 July each year and the shares have accordingly been classified as a financial liability. These shares do not carry any voting rights. On winding up of the company, non-redeemable preference shareholders will receive £64 per share prior to any repayment to Ordinary shareholders.

16. Deferred tax

	2012		2011	
	Group	Company	Group	Company
	£	£	£	£
The deferred tax included in the balance sheet is as follows				
Provision for deferred tax	(862,990)	(862,990)	(333,741)	(333,741)
	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>
The movement in the deferred taxation account during the year was				
Balance brought forward	(333,741)	(333,741)	(111,125)	(111,125)
Profit and loss account movement arising during prior year	(7,106)	(7,106)	-	-
Profit and loss account movement arising during the year	(522,143)	(522,143)	(222,616)	(222,616)
	<u>(862,990)</u>	<u>(862,990)</u>	<u>(333,741)</u>	<u>(333,741)</u>
	=====	=====	=====	=====

HOLDINGHAM GROUP LIMITED**NOTES to the FINANCIAL STATEMENTS (Contd)****For the year ended 30 June 2012****16 Deferred tax (Contd)**

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

	2012 Group £	2011 Company £	Group £	2012 Company £
Excess of taxation allowances over depreciation on fixed assets	33,819	33,819	40,983	40,983
Short term timing differences	(896,809)	(896,809)	(374,724)	(374,724)
	-----	-----	-----	-----
	(862,990)	(862,990)	(333,741)	(333,741)
	=====	=====	=====	=====

17 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 £529,154 (2011 £990,274). At 30 June 2012 pension contributions of £366,465 were outstanding (2011 £649,283).

18 Commitments under operating leases

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

	2012 Land and Buildings £	Other Items £	2011 Land and Buildings £	Other Items £
Operating leases which expire				
In less than one year	193,308	-	166,847	-
Within 1 to 2 years	-	-	198,476	-
Within 2 to 5 years	-	3,828	-	3,828
	-----	-----	-----	-----
	193,308	3,828	365,323	3,828
	=====	=====	=====	=====

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

	2012 Land and Buildings £	Other Items £	2011 Land and Buildings £	Other Items £
Operating leases which expire				
In less than one year	173,507	-	-	-
Within 1 to 2 years	-	-	135,850	-
Within 2 to 5 years	-	3,828	-	3,828
	-----	-----	-----	-----
	173,507	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.

HOLDINGHAM GROUP LIMITED

NOTES to the FINANCIAL STATEMENTS (Contd)

For the year ended 30 June 2012

19 Share capital

Allotted, called up and fully paid

	2012		2011	
	No	£	No	£
Ordinary shares of £0 10 each	595,000	59,500	689,060	68,906
	=====	=====	=====	=====

On 29 June 2012, Holdingham Group Limited converted 94,060 Ordinary shares of £0 10 each to 94,060 Preference shares of £0 10 each, as detailed in note 15

20. Share premium account

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

21 Employee Benefit Trust (Group and Company)

	2012	2011
	£	£
Own shares – Employee Benefit Trust	7,113,342	8,094,114
	=====	=====

The Employee Benefit Trust holds shares solely for distribution to employees. During the year the Trust purchased 16,994 shares in the company and distributed 42,932 shares to employees. At 30 June 2012 the Trust held 45,908 ordinary shares of £0 10 each and 94,060 preference shares of £0 10 each (2011 165,906 ordinary 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

22 Capital redemption reserve

	2012	2011
	£	£
Capital redemption reserve	19,700	19,700
	=====	=====

23 Profit and loss account

	2012		2011	
	Group	Company	Group	Company
	£	£	£	£
Balance at 1 July 2011	13,514,198	12,695,725	9,213,726	8,621,488
Profit for the year	6,415,597	4,936,254	5,634,192	6,142,915
First interim dividend paid	(1,736,871)	(1,736,871)	(815,159)	(815,159)
Second interim dividend paid	(1,025,585)	(1,025,585)	-	-
Loss on sale of own shares – EBT	(744,758)	(744,758)	(1,843,505)	(1,843,505)
	-----	-----	-----	-----
	16,422,581	14,124,765	12,189,254	12,105,739
Recognition of equity settled share based payments and contributions	1,214,475	843,112	1,324,944	589,986
	-----	-----	-----	-----
Balance carried forward at 30 June 2012	17,637,056	14,967,877	13,514,198	12,695,725
	=====	=====	=====	=====

HOLDINGHAM GROUP LIMITED

NOTES to the FINANCIAL STATEMENTS (Contd)

For the year ended 30 June 2012

24. Reconciliation of movements in shareholders' funds

	Group	2012	Group	2011
	£	Company	£	Company
		£		£
Profit for the year	6,415,597	4,936,254	5,634,192	6,142,915
First interim dividend paid	(1,736,871)	(1,736,871)	(815,159)	(815,159)
Second interim dividend paid	(1,025,585)	(1,025,585)	-	-
Loss on sale of own shares – EBT	(744,758)	(744,758)	(1,843,505)	(1,843,505)
Recognition of equity settled share based payments and contributions	1,214,475	843,112	1,324,944	589,986
Reclassification of Ordinary shares	(9,406)	(9,406)		
	4,113,452	2,262,746	4,300,472	4,074,237
Movement on own shares – Employee Benefit Trust (below)	980,772	980,772	(4,064,379)	(4,064,379)
Net addition to/(reduction in) shareholders' funds	5,094,224	3,243,518	236,093	9,858
Opening shareholders' funds	6,844,590	6,026,117	6,608,497	6,016,259
Closing shareholders' funds	11,938,814	9,269,635	6,844,590	6,026,117
	=====	=====	=====	=====

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

	2012	2011
	£	£
Purchase of own shares	(1,087,657)	(8,380,212)
Sale of own shares	1,323,671	2,472,328
Loss on sale of own shares	744,758	1,843,505
Movement in year	980,772	(4,064,379)
Balance brought forward	(8,094,114)	(4,029,735)
Balance carried forward	(7,113,342)	(8,094,114)
	=====	=====

25 Notes to the cash flow statement

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

	2012	2011
	£	£
Operating profit	8,233,186	7,179,409
Depreciation	130,485	89,777
Decrease/(increase) in work in progress	3,918	(48,213)
Increase in debtors	(1,391,983)	(990,482)
Increase in creditors	2,980,449	5,752,883
Equity share based payments	1,214,475	1,324,944
Net cash inflow from operating activities	11,170,530	13,308,318
	=====	=====

HOLDINGHAM GROUP LIMITED

NOTES to the FINANCIAL STATEMENTS (Contd)

For the year ended 30 June 2012

25 Notes to the cash flow statement (Contd)

(ii) Reconciliation of net cash flow to movement in net funds

Increase/(decrease) in cash	6,328,384	4,710,724
Change in net funds	6,328,384	4,710,724
Opening net funds	6,324,967	1,614,243
Closing net funds	12,653,351	6,324,967

(iii) Analysis of changes in net funds

	At 1 July 2011 £	Cash Flows £	At 30 June 2012 £
Cash at bank and in hand	3,824,967	2,828,383	6,653,350
Short-term deposits	2,500,000	3,500,001	6,000,001
Total	6,324,967	6,328,384	12,653,351

26 Capital commitments

There were no amounts contracted for but not provided in the financial statements at 30 June 2012 (2011 - £Nil)

27 Equity settled share based payment transactions

Certain employees hold options to subscribe for shares in the company at prices ranging from £0 00 to £49 00 under share options granted up until 30 June 2012

The remaining options outstanding under approved schemes at 30 June 2012 are shown below

Number of shares		Option exercise		Date granted	Option exercise period
2012	2011	price			
1,633	1,633	£12 24		Apr 2006	Dec 2008 - Dec 2013
4,266	4,266	£15 00		May 2007	Apr 2010 - Apr 2015
4,000	4,427	£18 80		Nov 2007	Nov 2010 - Nov 2015
2,115	6,098	£26 00		Nov 2008	Nov 2011 - Nov 2016
3,985	3,985	£0 00		Mar 2010	Mar 2013 - Mar 2018
2,900	2,900	£0 00		Oct 2010	Sep 2013 - Sep 2018
2,440	-	£0 00		Aug 2011	Aug 2014 - Aug 2019
21,339	23,309				

HOLDINGHAM GROUP LIMITED

NOTES to the FINANCIAL STATEMENTS (Contd)

For the year ended 30 June 2012

27. Equity settled share based payment transactions (Contd)

The remaining options outstanding under unapproved schemes at 30 June 2012 are shown below

Number of shares		Option exercise price	Date granted	Option exercise period
2012	2011			
15,840	15,840	£12 24 - £15 30	Apr 2006	Apr 2006 - Dec 2013
10,666	13,466	£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	£18 80 - £23 50	May 2008	May 2008 - May 2016
-	1,064	£18 80 - £23 50	Jul 2008	Jul 2008 - Jul 2016
-	2,631	£26 00 - £32 50	Nov 2008	Nov 2008 - Nov 2016
-	5,142	£26 00 - £32 50	Jun 2009	Jun 2009 - Nov 2016
610	610	£32 80 - £41 00	Dec 2009	Dec 2012 - Dec 2017
2,646	2,646	£32 80 - £41 00	Sep 2010	Sep 2010 - Sep 2018
510	510	£39 20 - £41 00	Nov 2010	Nov 2010 - Nov 2018
510	510	£39 20 - £41 00	Dec 2010	Dec 2010 - Dec 2018
-----	-----			
33,527	46,228			
=====	=====			

The model inputs for awards in the year were

	2012	2011
• Share price at grant date	£49 00	£41 00 - £49 00
• Exercise price	£0 00	£0 00 - £49 00
• Expected volatility	N/A	40%
• Expected life	N/A	3 years
• Risk-free interest rate	N/A	1 082% - 1 313%
• Dividend yield	N/A	5 92% - 7 07%

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

	2012		2011	
	Number of options	Weighted average	Number of options	Weighted average
Outstanding at start of year	69,537	£16 71	140,454	£15 65
Granted	2,440	£0 00	7,630	£19 24
Forfeited	1,064	£18 80	123	£26 00
Exercised	16,047	£23 41	78,424	£15 05
Outstanding at end of year	54,866	£13 97	69,537	£16 71
Exercisable at end of year	41,265	£15 02	43,441	£14 61

The weighted average remaining contractual life of share options outstanding at 30 June 2012 was 3.3 years (2011: 4.4 years)