

Chantrey Vellacott DFK LLP



Regent Group Limited

Financial statements

31 December 2009

Regent Group Limited

Financial statements

Year ended 31 December 2009

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Regent Group Limited

Officers and professional advisers

The board of directors

D Alway
J R Calvert
R W Holway
M Kunov
R Masiero
P J McGovern
P D Rowell

Company secretary

C E Wanniaratchy

Registered office

17/21 Victoria Street
Windsor
Berkshire
SL4 1HE

Auditor

Chantrey Vellacott DFK LLP
Chartered Accountants
Statutory Auditor
Prospect House
58 Queens Road
Reading
Berkshire
RG1 4RP

Bankers

National Westminster Bank Plc
PO Box 12263
1 Princes Street
London
EC2R 8PH

Solicitors

Oiswang LLP
90 High Holburn
London
WC1V 6XX

Chantrey Vellacott DFK LLP

Regent Group Limited**Directors' report****Year ended 31 December 2009**

The directors have pleasure in presenting their report and the audited financial statements of the group for the year ended 31 December 2009

Principal activities and business review

The principal activity of the group continues to be the provision of corporate finance services

We consider it appropriate, because of the nature of our business, that our review is at a summary level. The market for mergers and acquisitions has continued to be extremely depressed during 2009, as a direct result of the world-wide economic downturn. The market is showing signs of gradual recovery for 2010. Since significant cost savings were made in 2008, the group has been able to make a positive operating profit and a much smaller loss for this year, even on modest revenues. The directors are cautiously optimistic that the performance in 2010 will show a marked improvement.

The resilience of the group is owed in no minor measure to the loyalty, hard work and commitment of our employees under these difficult circumstances. The directors believe that the group will be extremely well placed to take advantage of improving market conditions when these happen. Regent International Partners Limited is registered with the FSA.

Results and dividends

The profit and loss is set out on page 6 and shows the loss for the year. The directors have not recommended a dividend for the year (2008 - £nil).

Financial risk management objectives and policies

The group and company's operations expose it to a variety of financial risks that include the effects of credit risk and liquidity risk. The group and company have in place a risk management programme that seeks to limit the adverse effects on the financial performance of the group and company by monitoring risks and finance costs. The directors believe that the programmes in place are sufficient to mitigate the adverse impacts of such risks on the group and the company.

The directors and their interests

The directors who served the company during the year and up to the date of this report are listed on page 1.

The directors who served the company during the year were as follows:

	£1 Ordinary shares	
	31 Dec 2009	31 Dec 2008
Mr D A Alway	3,378	3,378
Mr J R Calvert	4,696	4,696
Mr R W Holway	-	-
Mr M Kunov	1,306	1,306
Mr R Masiero	-	-
Mr P J McGovern	-	-
Mr P D Rowell	5,831	5,831

R Masiero was appointed as a director on 24 April 2009.

Regent Group Limited

Directors' report (continued)

Year ended 31 December 2009

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 company and the group and of the profit or loss of the group for that year. 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 and the group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's and group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Insofar as the directors are aware

- there is no relevant audit information of which the company's and the group'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.

Auditor

A resolution to re-appoint Chantrey Vellacott DFK LLP as auditor for the ensuing year will be proposed at the Annual General Meeting in accordance with section 485 of the Companies Act 2006.

Signed on behalf of the directors

JR Calvert

Director

Approved by the directors on 28/4/10

Chantrey Vellacott DFK LLP

Regent Group Limited**Independent auditor's report to the shareholders of Regent Group Limited****Year ended 31 December 2009**

We have audited the group and parent company financial statements ("the financial statements") of Regent Group Limited for the year ended 31 December 2009 which comprise the profit and loss account, group statement of total recognised gains and losses, group balance sheet and company balance sheet, 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 company's shareholders, as a body, in accordance with Sections 495 and 496 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 3, 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 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

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/UKNP.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and parent company's affairs as at 31 December 2009 and of the group's loss 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.

Emphasis of matter - going concern

In forming our opinion, which is not qualified, we have considered the adequacy of the disclosures made in note 1 to the financial statements concerning the group's ability to continue as a going concern having incurred losses in the year of £61,036 and at the balance sheet date its liabilities exceeded its assets by £748,595. Management accounts indicate losses have been incurred in the first quarter of the subsequent year. The validity of the going concern basis is dependent on the company and group continuing to receive support from its group undertakings, its creditors, principally its directors and employees, and generating profits in the future and having sufficient working capital to continue as a going concern for the foreseeable future. In view of the significance of the fact that the preparation of the financial statements on the going concern basis is dependent on these factors, and the significance of this uncertainty, we consider these disclosures should be drawn to your attention. The financial statements do not include the adjustments that would result if the company or group were unable to continue as a going concern.

Opinion on other matters 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.

Regent Group Limited

Independent auditor's report to the shareholders of Regent Group Limited (continued)

Year ended 31 December 2009

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

Chantrey Vellacott DFK LLP

IAN B JOHNSON (Senior Statutory Auditor)
for and on behalf of CHANTREY VELLACOTT DFK LLP
Chartered Accountants and Statutory Auditor
Reading

28/4/10

Chantrey Vellacott DFK LLP

Regent Group Limited**Group profit and loss account****Year ended 31 December 2009**

	Note	2009 £	2008 £
Group turnover	2	1,842,437	1,559,576
Administrative expenses excluding exceptional items		(1,845,239)	(2,268,549)
Exceptional administrative (expenses)/releases	3	—	329,463
Administrative expenses		(1,845,239)	(1,939,086)
Other operating income		5,855	3,894
Operating profit/(loss)	3	3,053	(375,616)
Interest receivable		191	5,622
Amounts written off investments	6	(10,833)	—
Interest payable and similar charges	7	(50,129)	(6,947)
Loss on ordinary activities before taxation		(57,718)	(376,941)
Tax on loss on ordinary activities	8	(3,318)	66,302
Loss for the financial year	9	(61,036)	(310,639)

All of the activities of the group are classed as continuing

The company has taken advantage of section 408 of the Companies Act 2006 not to publish its own profit and loss account

The notes on pages 11 to 27 form part of these financial statements

Regent Group Limited

Group statement of total recognised gains and losses

Year ended 31 December 2009

	2009	2008
	£	£
Loss for the financial year	(61,036)	(310,639)
Unrealised (deficit)/ surplus on revaluation of investments	(17,500)	17,500
	(78,536)	(293,139)
Exchange translation differences on foreign currency net investments in subsidiary undertakings	(3,389)	6,666
Total gains and (losses) recognised for the year	<u>(81,925)</u>	<u>(286,473)</u>

Chantrey Vellacott DFK LLP

The notes on pages 11 to 27 form part of these financial statements

Regent Group Limited

Group balance sheet

As at 31 December 2009

	Note	2009 £	2008 £
Fixed assets			
Tangible assets	10	10,598	18,250
Investments	11	39,167	67,500
		<u>49,765</u>	<u>85,750</u>
Current assets			
Debtors	12	317,844	259,901
Cash at bank and in hand		269,132	36,936
		<u>586,976</u>	<u>296,837</u>
Creditors amounts falling due within one year	13	<u>1,059,330</u>	<u>776,783</u>
Net current liabilities		<u>(472,354)</u>	<u>(479,946)</u>
Total assets less current liabilities		<u>(422,589)</u>	<u>(394,196)</u>
Creditors amounts falling due after more than one year			
Other creditors		326,006	272,474
		<u>(748,595)</u>	<u>(666,670)</u>
Capital and reserves			
Called up equity share capital	20	30,204	30,204
Share premium account	21	156,228	156,228
Revaluation reserve	21	—	17,500
Profit and loss account	21	466,758	531,183
		<u>653,190</u>	<u>735,115</u>
Employee Benefit Trust	21	(1,401,785)	(1,401,785)
Deficit	22	<u>(748,595)</u>	<u>(666,670)</u>

These financial statements were approved by the directors and authorised for issue on 28/4/10, and are signed on their behalf by

J Calvert
Director



Company Registration Number 02589408


The notes on pages 11 to 27 form part of these financial statements

Regent Group Limited**Company balance sheet****As at 31 December 2009**

	Note	2009 £	2008 £
Fixed assets			
Tangible assets	10	368	2,084
Investments	11	53,218	53,218
		<u>53,586</u>	<u>55,302</u>
Current assets			
Debtors	12	244,319	135,678
Cash at bank		44,157	5,286
		<u>288,476</u>	<u>140,964</u>
Creditors: amounts falling due within one year	13	<u>796,553</u>	<u>654,345</u>
Net current liabilities		(508,077)	(513,381)
Total assets less current liabilities		<u>(454,491)</u>	<u>(458,079)</u>
Creditors: amounts falling due after more than one year			
Other creditors		326,006	272,474
		<u>(780,497)</u>	<u>(730,553)</u>
Capital and reserves			
Called up equity share capital	20	30,204	30,204
Share premium account	21	156,228	156,228
Profit and loss account	21	434,856	484,800
		<u>621,288</u>	<u>671,232</u>
Employee Benefit Trust	21	(1,401,785)	(1,401,785)
Deficit		<u>(780,497)</u>	<u>(730,553)</u>

These financial statements were approved by the directors and authorised for issue on 28/4/10, and are signed on their behalf by

J Calvert
Director



Company Registration Number 02589408

The notes on pages 11 to 27 form part of these financial statements

Regent Group Limited

Group cash flow statement

Year ended 31 December 2009

		2009 £	2008 £
Net cash (outflow) inflow from operating activities	23	270,266	(388,722)
Returns on investments and servicing of finance			
Interest received		191	5,622
Interest paid		(50,129)	(6,947)
Net cash (outflow)/ inflow from returns on investments and servicing of finance		(49,938)	(1,325)
Taxation			
UK corporation received		14,115	(1,109)
Capital expenditure			
Payments to acquire tangible fixed assets		(2,247)	(10,688)
Payments made by Employee Benefit Trust on acquisition of 'A' shares		-	(14,985)
Payments against provisions for liabilities and charges		-	(45,537)
Net cash outflow from capital expenditure		(2,247)	(71,210)
Increase/(Decrease) in cash	23	232,196	(462,366)

Chantrey Vellacott DF K LLP

The notes on pages 11 to 27 form part of these financial statements

Regent Group Limited**Notes to the financial statements****Year ended 31 December 2009**

1 Accounting policies**Basis of accounting**

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets and in accordance with applicable United Kingdom accounting standards

The financial statements have been prepared on the going concern basis which assumes that the group and company will continue in operational existence for the foreseeable future

The validity of this assumption depends on the continuing support from the group undertakings, group and company's creditors, principally its directors and employees, and generating profits in the foreseeable future. The group incurred losses during the year of £61,036. The company and group balance sheets both show a net deficit as a result of the deduction from shareholders' funds of £1,401,785 (2008 - £1,401,785) representing the acquisition cost of the redeemable "A" shares acquired by the Employee Benefit Trust in previous years and the results of which have been incorporated into the company's and group's financial statements. Included in creditors, for the company, is an amount due to the subsidiary undertakings amounting to £106,919. As noted in note 13 this amount has no fixed repayment term and may not be paid within the next twelve months. The directors are confident this will ultimately be repaid but this in turn is dependent on the generation of group profits.

The group and company meets its day to day working capital requirements through trading and support from the directors and employees not drawing salaries and bonuses, directors loans to the parent and the subsidiary undertaking generating revenues. The continuation of this support is critical to the group and company's ability to meet its liabilities as they fall due.

The nature of the company's business, and that of its subsidiary, is such that there can be considerable unpredictable variations in the timing of cash flows. The directors have prepared projected revenue, expenditure and cash flow information for a period of at least twelve months from the date of approval of the financial statements. These anticipate that the group will be profitable in 2010 and, providing it is able to complete transactions on behalf of its clients, that the deficit shown by the group's balance sheet will be reduced by the end of the year. The achievement of revenues and profits, which in the present climate is uncertain, is also critical to the company and group being able to meet its liabilities as they fall due and to continue in operational existence.

On the basis of this cash flow information and the continued support referred to above, although there can be no certainty in this matter, the directors consider that the group and company will continue to have sufficient resources to enable it to continue in operation. Therefore, the directors consider it appropriate to prepare the financial statements on a going concern basis.

Should the going concern basis of preparation of the financial statements be found to be inappropriate, adjustments may have to be made to reduce the value of assets to their recoverable amount, to provide for any further liabilities which might arise, and to reclassify fixed assets and long term liabilities as current assets and liabilities respectively, both adjustments having a consequent effect on the profit and loss account. It is not practical to quantify these potential adjustments which are not included in the financial statements.

Basis of consolidation

The consolidated financial statements incorporate the results of Regent Group Limited and all of its subsidiary undertakings at 31 December 2009 using the equity method of accounting. Intra-group sales, profit and year end balances are eliminated fully on consolidation. As a consolidated profit and loss account is published, a separate profit and loss account for the parent is omitted from the group financial statements by virtue of section 408 of the Companies Act 2006.

Regent Group Limited

Notes to the financial statements

Year ended 31 December 2009

1 Accounting policies (*continued*)

Turnover and recognition of income

Turnover represents fee income being the value of services supplied during the year excluding value added tax. Income is recognised on the date of the supply of service after having taken account of any appropriate fair value adjustment to reflect any uncertainty in the measure of the consideration. Income and the corresponding debtor are reduced by any such adjustment.

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 improvement	- Over the term of the lease
Computer and telephone equipment	- 33 1/3% per annum on a straight line basis
Fixtures, fittings and equipment	- 25% per annum on a straight line basis

Operating lease agreements

Where leases are treated as operating leases, their annual rentals are charged to the profit and loss account on a straight line basis over the term of the lease.

Reverse premiums and similar incentives to enter into operating lease agreements are initially recorded as deferred income and released to the profit and loss account over the period to the date on which the rent is first expected to be adjusted to the prevailing market rate.

Pension costs

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

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, except that 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

Foreign currency transactions of the company are translated at the rate ruling when they occurred. Foreign currency monetary assets and liabilities at the rates ruling at the balance sheet date. Any differences are taken to the profit and loss account.

The profit and loss account and assets and liabilities of foreign subsidiary undertakings have been translated into sterling at the rates of exchange ruling on the balance sheet date. Exchange differences that arise from retranslations of the opening net investment in foreign subsidiary undertakings are taken to reserves.

The profit and loss account of the overseas branch of a subsidiary undertaking has been translated using the temporal method using an average rate for the year.

Employee benefit trust

The company has established a trust for the benefit of employees. The assets, liabilities and results of the Employee Benefit Trust are incorporated in the financial statements of the individual company and the group.

Regent Group Limited

Notes to the financial statements

Year ended 31 December 2009

1 Accounting policies (continued)

Investments

Fixed asset investments are stated at cost less provision for diminution in value except where the investments are quoted on a recognised exchange in which case they are shown at market value at the balance sheet date in accordance with FRS 29

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

2 Turnover

The turnover and loss before tax are attributable to the one principal activity of the group

An analysis of turnover is given below

	2009 £	2008 £
United Kingdom	990,134	1,270,402
Overseas	852,303	289,174
	<u>1,842,437</u>	<u>1,559,576</u>

3 Operating profit/(loss)

Operating profit/(loss) is stated after charging/(crediting)

	2009 £	2008 £
Depreciation of owned fixed assets	9,899	16,878
Auditor's remuneration		
- as auditor	13,145	17,637
- for other services	2,286	13,648
Operating lease costs		
- Plant and equipment	34,912	46,076
- Other	25,000	94,736
Net (profit)/loss on foreign currency translation	(4,257)	20,610
Exceptional items - Administrative expenses/(releases)	-	(329,463)

During the prior year administrative expenses included an exceptional administrative release of £329,463 relating to a provision made in previous years as referred to in the note 16 to the financial statements

Regent Group Limited**Notes to the financial statements****Year ended 31 December 2009****4 Particulars of employees**

The average number of staff, including executive directors, employed by the group during the financial year can be analysed as follows

	2009	2008
	No	No
Number of management staff	<u>11</u>	<u>12</u>

The aggregate payroll costs of the above were

	2009	2008
	£	£
Wages and salaries	789,309	1,133,552
Social security costs	99,175	130,711
Other pension costs	<u>–</u>	<u>30,281</u>
	<u>888,484</u>	<u>1,294,544</u>

During the year the group and company has not contributed to the group and company's defined contribution pension scheme on behalf of its employees and directors

5 Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services were

	2009	2008
	£	£
Aggregate remuneration	293,973	168,199
Value of company pension contributions to money purchase schemes	<u>–</u>	<u>11,306</u>
	<u>293,973</u>	<u>179,505</u>

Remuneration of highest paid director

	2009	2008
	£	£
Total remuneration	<u>103,524</u>	<u>131,097</u>

There were 4 directors (2008 - 4) in the group's and other defined contribution pension schemes to which contributions were made during the prior year. No such contributions were made in respect of the current year.

The highest paid director received £103,524 (2008 - £131,097). Included within this figure are company pension contributions of £nil (2008 - £3,512) payable on behalf of the highest paid director.

During the prior year the directors made a decision to waive remuneration earned but not drawn in relation to the year ended 31 December 2007, the effect of which was to reduce the remuneration charge for the year ended 31 December 2008 by £224,203. There has been no such decision made in respect of the current year.

Regent Group Limited

Notes to the financial statements

Year ended 31 December 2009

6 Amounts written off investments

	2009 £	2008 £
Amount written off investments	<u>10,833</u>	<u>-</u>

Amounts written off in respect of investments, relates to the revaluation of the company's shareholding in Innovise Plc, as detailed within note 11

7 Interest payable and similar charges

	2009 £	2008 £
Other similar charges payable	<u>50,129</u>	<u>6,947</u>

Included within interest payable is bank interest of £1,782 (2008 - £35)

8 Taxation on ordinary activities

(a) Analysis of charge in the year

	2009 £	2008 £
Current tax		
UK Taxation		
UK Corporation tax based on the results for the year at 28% (2008 - 28.50%)	-	(64,433)
Adjustment for prior years	<u>3,318</u>	<u>(1,978)</u>
	<u>3,318</u>	<u>(66,411)</u>
Foreign tax		
Current tax on income for the year	-	109
Total current tax	<u>3,318</u>	<u>(66,302)</u>

The corporation tax charge/(release) made in the prior year was after taking into account group relief surrenders which were available and for which no payment was made

The company has trading losses for offset against future trading profits of the same trade amounting to approximately £173,000 (2008 - £175,000). A deferred tax asset amounting to approximately £65,000 (2008 - £95,000), calculated at the standard rate of corporation tax of 28%, in respect of these losses, excess depreciation over capital allowances and other short term timing differences, has not been reflected in these financial statements in view of the difficulty in projecting future revenues.

Regent Group Limited

Notes to the financial statements

Year ended 31 December 2009

8 Taxation on ordinary activities (continued)

(b) Factors affecting current tax charge

The tax assessed on the loss on ordinary activities for the year is at a higher rate than the standard rate of corporation tax in the UK of 28% (2008 - 28.50%)

	2009 £	2008 £
Loss on ordinary activities before taxation	(57,718)	(376,941)
Profit/(loss) on ordinary activities multiplied by rate of tax	(16,161)	(107,428)
Expenses not deductible for tax purposes	6,883	4,543
Capital allowances for period in excess of depreciation	(1,650)	(5,299)
Utilisation of tax losses	-	-
Adjustments to tax charge in respect of previous periods	3,318	(1,978)
Provisions adjustment	-	61,887
Utilisation of losses	(1,154)	-
Unrelieved tax losses and other deductions arising in period	12,082	49,098
Short term timing differences	-	(68,070)
Overseas taxation	-	109
Sundry tax adjusting items	-	836
Total current tax (note 8(a))	3,318	(66,302)

9 Profit/(loss) attributable to members of the parent company

The loss dealt with in the financial statements of the parent company was £(49,944) (2008 - £(139,039))

Regent Group Limited

Notes to the financial statements

Year ended 31 December 2009

10 Tangible fixed assets

Group	Leasehold Property £	Equipment and fixtures £	Total £
Cost			
At 1 January 2009	424,093	267,895	691,988
Additions	–	2,246	2,246
Disposals	(3,237)	(76,395)	(79,632)
At 31 December 2009	420,856	193,746	614,602
Depreciation			
At 1 January 2009	424,093	249,645	673,738
Charge for the year	–	9,899	9,899
On disposals	(3,237)	(76,396)	(79,633)
At 31 December 2009	420,856	183,148	604,004
Net book value			
At 31 December 2009	–	10,598	10,598
At 31 December 2008	–	18,250	18,250
Company			
	Leasehold Property £	Equipment and fixtures £	Total £
Cost			
At 1 January 2009	424,093	210,403	634,496
Disposals	(3,237)	(43,647)	(46,884)
At 31 December 2009	420,856	166,756	587,612
Depreciation			
At 1 January 2009	424,093	208,319	632,412
Charge for the year	–	1,716	1,716
On disposals	(3,237)	(43,647)	(46,884)
At 31 December 2009	420,856	166,388	587,244
Net book value			
At 31 December 2009	–	368	368
At 31 December 2008	–	2,084	2,084

Regent Group Limited

Notes to the financial statements

Year ended 31 December 2009

11 Investments

Group	Investment £
Cost or valuation	
Balance brought forward	67,500
Revaluation	(28,333)
Balance carried forward	<u>39,167</u>
Net book value	
At 31 December 2009	<u>39,167</u>
At 31 December 2008	<u>67,500</u>

In 2007 Regent Partners International Limited raised invoices to the shareholders of Data Technology Group Limited for the success fee on the sale of the company. One invoice was settled in cash. On 28 May 2008 the remaining invoice was settled by 166,667 Ordinary shares in Innovise plc, a company quoted on the AIM market. This transaction was supported by a settlement deed.

The initial investment was valued at £50,000 on the date of receipt. At 31 December 2008 the shares were valued at the year end share price and the investment value was increased by £17,500, with the increase being taken to a revaluation reserve. At 31 December 2009 the investment was revalued by the directors and the share price had decreased in comparison with the 2008 value. On this basis an appropriate adjustment was made against the investment value in respect of the decrease, an adjustment was made against the revaluation reserve, and a charge was made to the profit and loss account.

Company	Shares in group undertakings £
Cost	
At 1 December 2009 and 31 December 2009	<u>53,218</u>
Net book value	
At 31 December 2009	<u>53,218</u>
At 31 December 2008	<u>53,218</u>

Regent Group Limited

Notes to the financial statements

Year ended 31 December 2009

11. Investments (*continued*)

Investments in group undertakings

In the opinion of the directors, the aggregate value of the company's interests in its subsidiary undertakings, including amounts owing, is not less than the value in the balance sheet at 31 December 2009. During the year the USA subsidiary, Regent Associates International Inc. was formally dissolved.

The following were subsidiary undertakings of the company at 31 December 2009

	Country of incorporation	Class of shares	Proportion of voting rights and shares held	Nature of business
Regent Partners International Limited	England & Wales	Ordinary	100%	Corporate finance services
Regent Trustee Limited	England & Wales	Ordinary	100%	
Target Research Limited	England & Wales	Ordinary	100%	Dormant
Regent Technology Limited	England & Wales	Ordinary	100%	Dormant
Regent Investment Banking Limited	England & Wales	Ordinary	100%	Dormant
Regent Associates Limited	England & Wales	Ordinary	100%	Dormant

Regent Group Limited

Notes to the financial statements

Year ended 31 December 2009

12 Debtors

	2009 £	Group 2008 £	2009 £	Company 2008 £
Trade debtors	40,833	81,843	-	-
Amounts owed by group undertakings	-	-	5,360	5,360
Other debtors	211,028	80,730	198,531	71,481
Corporation tax debtor	-	17,433	-	-
Prepayments and accrued income	65,983	79,895	40,428	58,837
	<u>317,844</u>	<u>259,901</u>	<u>244,319</u>	<u>135,678</u>

All amounts shown under debtors fall due for payment within one year. For the company, the amounts owed by group undertakings have no fixed terms of payment and are unsecured and are interest free. Part or all of this balance may be received after more than one year.

Included in other debtors for the company and group is an amount of £198,531 in respect of monies receivable in connection with the claim for property damage referred to in note 18 contingent liabilities.

13 Creditors amounts falling due within one year

	2009 £	Group 2008 £	2009 £	Company 2008 £
Trade creditors	291,323	147,214	244,648	119,662
Amounts owed to group undertakings	-	-	106,919	289,270
Taxation	144,286	131,962	93,898	44,073
Other creditors	47,817	31,037	-	-
Accruals and deferred income	575,904	466,570	351,088	201,340
	<u>1,059,330</u>	<u>776,783</u>	<u>796,553</u>	<u>654,345</u>

For the company, the amounts owed to group undertakings have no fixed terms of payment but are accounted for as a current liability.

14 Creditors amounts falling due after more than one year

	2009 £	Group 2008 £	2009 £	Company 2008 £
Other creditors	326,006	272,474	326,006	272,474

For the company and the group, the amounts falling due after more than one year relate to loans from the directors. The loans have no fixed terms for repayment and it is anticipated that the amounts will be available for at least twelve months from the balance sheet date. For further details see note 19 to the financial statements.

Regent Group Limited**Notes to the financial statements****Year ended 31 December 2009****15 Pensions**

The group operates a defined contribution scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension costs charge represents contributions payable by the group to the fund and contributions towards defined contribution personal pension schemes. The total cost to the group for the year in respect of directors and employees pensions was £nil (2008 - £30,281).

16 Provisions for liabilities

	2009 £	2008 £
Other provisions		
Balance brought forward	-	375,000
Movement for year	-	(375,000)
	<u>-</u>	<u>-</u>

During 2006 a provision was made, based on the directors' estimate of the maximum potential value of claims and associated costs as a result of the closure of the French branch office. The initial provision was £400,000 and was reduced to £375,000 in 2007.

During 2008 the company released £345,000 of the provision, based on the most recent legal guidance given to the company. The directors considered the position and concluded the provision should be released. Reference, however, should be made to note 18 Contingent liabilities. At 31 December 2008 the remaining element of the provision, £30,000, had been retained within accruals for costs in relation to this matter. During 2009 the company settled costs with a former employee and released an element of the £30,000 accrual. At the year end £7,915 has been retained within accruals for further costs in relation to this matter. Further information is not provided as this could be prejudicial to the company's position.

17 Commitments under operating leases

At 31 December 2009 the group had annual commitments under non-cancellable operating leases as set out below.

Group	2009		2008	
	Land and buildings £	Other items £	Land and buildings £	Other items £
Operating leases which expire				
Within 1 year	-	1,722	-	237
Within 2 to 5 years	129,344	-	129,344	-
	<u>129,344</u>	<u>1,722</u>	<u>129,344</u>	<u>237</u>

Regent Group Limited**Notes to the financial statements****Year ended 31 December 2009****17 Commitments under operating leases (continued)**

At 31 December 2009 the company had annual commitments under non-cancellable operating leases as set out below

Company	2009		2008	
	Land and buildings £	Other items £	Land and buildings £	Other items £
Operating leases which expire				
Within 1 year	-	1,559	-	-
Within 2 to 5 years	129,344	-	129,344	-
	<u>129,344</u>	<u>1,559</u>	<u>129,344</u>	<u>-</u>

The directors are currently in negotiations with the landlord of the premises that the group and company occupy, see note 18

18 Contingent liabilities

The company has in place a guarantee in respect of amounts due to its bankers by the company and its subsidiary company Regent Partners International Limited. However, there were no amounts owing at the end of either the current or previous period.

As referred to in note 16 to the financial statements, and based on guidance to the group and subsidiary undertaking from its lawyers during the current and prior year, in 2008 the directors released provisions amounting to £345,000 in respect of the closure of its French branch. Although the directors consider it unlikely, the subject matter of the provision is still open to appeal and, although this would be robustly defended, a contingent liability amounting to a maximum of €545,000, (£490,991) exists in this respect if such an appeal proved to be successful against the group and company.

During 2007 the group and company obtained a provisional judgement against a French debtor in respect of an outstanding debt. During 2008 €196,469 (approximately £148,000 at the exchange rate on the date received) has been received in relation to this debt and was reflected within the prior year financial statements. Although the directors consider it unlikely, the subject matter is still open to appeal and therefore a contingent liability, to a maximum sum of €194,469 (£174,992 at 31 December 2009 exchange rate), exists in this respect if such an appeal proved to be successful against the group and company and this sum had to be repaid.

The company and group lease two adjacent premises. One of the properties was pronounced unsafe in 2008 and no longer capable of occupation due to structural damage occasioned by a nearby third party development. The company is seeking damages from third parties and by arrangements with the company's landlords accrued rent of £232,447 is being withheld. Included in debtors is the sum of £198,531 which the directors have assessed is receivable by the company. In the event that the directors' assessment of the company's position regarding this matter was found to be incorrect adjustments may have to be made to the value of the current asset or provide for further liabilities.

Regent Group Limited

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Year ended 31 December 2009

19 Related party transactions

At the year end, £25,602 (2008 - £10,025) included within creditors due within one year and £326,006 (2008 - £272,474) included within creditors due in more than one year, are amounts owed to directors of the company and group in respect of loans. Interest of 6% per annum is charged on these loans. During the year interest of £27,397 (2008 - £7,342) accrued in respect of these loans. On 30 September 2009 a repayment of £16,079 was made to a director of the company in relation to the loan. Included within the year end creditor is £53,049 (2008 - £nil) which relates to a loan received during the year from a director and accrued interest thereon. The company is currently in the process of considering the setting up of an executive management incentive (EMI) scheme.

At the year end, £346,623 (2008 - £198,707) included within creditors due within one year are amounts owed to the directors of the group and company in respect of unpaid salaries. Interest is charged at 6% on unpaid salaries. During the year interest of £18,250 (2008 - £4,367) accrued in respect of unpaid salaries. During the year repayments of £112,487 were made to these directors in respect of unpaid salaries.

Included within accrued expenses are commissions of £26,959 (2008 - £21,989) owed to a group and company director. These amounts are subject to interest at 6% per annum. Interest accrued at the year end in respect of the commissions was £1,269 (2008 - £nil).

CEA Seaport Investors LLC is a company in which certain directors of the company and of a subsidiary undertaking, Regent Partners International Limited, have personal investments. CEA Seaport Investors LLC either pay the investing directors monies directly or pay amounts due to the directors into Regent Partners International Limited's bank account. At 31 December 2009 the directors were owed £20,955 (2008 - £14,216) by Regent Partners International Limited in respect of monies paid to the company on their behalf by CEA Seaport Investors LLC.

20. Share capital

Authorised share capital

	2009 £	2008 £
85,000 Ordinary shares of £1 each	85,000	85,000
15,000 Redeemable 'A' Shares of £1 each	15,000	15,000
	<u>100,000</u>	<u>100,000</u>

Allotted, called up and fully paid

	2009 No	£	2008 No	£
20,003 Ordinary shares of £1 each	20,003	20,003	20,003	20,003
10,201 Redeemable 'A' Shares of £1 each	10,201	10,201	10,201	10,201
shares of £1 each	<u>30,204</u>	<u>30,204</u>	<u>30,204</u>	<u>30,204</u>

Regent Group Limited**Notes to the financial statements****Year ended 31 December 2009**

20 Share capital (*continued*)

On 25 October 2002 a call option was invoked whereby the issued share capital of Regent Group Limited held by Communications Equity Associates International Limited reverted to certain beneficiaries of the 1999 sale and purchase agreement relating to the purchase of Regent Group Limited

Concurrently the Articles of Association were amended to redesignate 15,000 of the authorised shares of £1 each into 15,000 redeemable 'A' shares of £1 each. The 10,204 issued shares of £1 each were redesignated as 10,201 redeemable 'A' shares of £1 each and 3 ordinary shares of £1 each

Since that time the company has had the option to redeem the 'A' shares all or in part at a price of £348.19 for each 'A' share plus notional interest at the annual rate of 1% over the base rate of National Westminster Bank plc in respect of the period after 25 October 2002 until redemption

'A' shares have no dividend rights. Voting rights are limited to situations where the rights attaching to the 'A' shares are being varied or where redemption is committed to and the company fails to pay the redemption price when due. In the event of a winding up, 'A' shares rank *par passu* with the ordinary shares

The substance of the redeemable 'A' shares of the company are meant to provide the beneficiaries of the sale of Regent Group Limited in 1999 with the opportunity to share in the future success of the company. The redemption of the 'A' shares is entirely at the option of the company and can only be contemplated when there are either sufficient distributable reserves and cash resources surplus to the company's requirements to grow and develop or some other future event

For these reasons the directors consider that the 'A' shares fall to be considered as equity shares. Accordingly no provisions have been included in the financial statements in respect of any potential notional interest charge or in respect of the premium on redemption which is the maximum of £3.54 million on the shares in issue at 31 December 2009 plus any applicable notional interest. The directors do consider, however, these sums represent contingent liabilities of the company at the balance sheet date

During the year to 31 December 2007 the company set up an Employee Benefit Trust ("EBT") which made an offer to the redeemable 'A' share holders of £140 per share. This was accepted by holders of 9,856 of the shares. There remain 345 redeemable 'A' shares not held by the EBT

Included in the acquisition cost of 9,856 shares for £1,385,800, including other costs of £6,960, borne by the EBT was a premium of £1,369,984 over the nominal value of the shares acquired. The maximum premium on the redemption relating to shares not already acquired by the EBT is approximately £120,000 plus any applicable notional interest

Regent Group Limited

Notes to the financial statements

Year ended 31 December 2009

21 Reserves

Group	Share premium account £	Revaluation reserve £	Employee Benefit Trust Reserve £	Profit and loss account £
Balance brought forward	156,228	17,500	(1,401,785)	531,183
Loss for the year	-	-	-	(61,036)
Translation differences on foreign currency net investments in subsidiary undertakings	-	-	-	(3,389)
Other - investments	-	(17,500)	-	-
Balance carried forward	<u>156,228</u>	<u>-</u>	<u>(1,401,785)</u>	<u>466,758</u>

During the year the group revalued its investment in Innovise Plc, further details regarding the value and nature of the investment are within note 11 to the financial statements

Company	Share premium account £	Employee Benefit Trust Reserve £	Profit and loss account £
Balance brought forward	156,228	(1,401,785)	484,800
Loss for the year	-	-	(49,944)
Balance carried forward	<u>156,228</u>	<u>(1,401,785)</u>	<u>434,856</u>

On 9 November 2007 the company set up Regent Share Trust ("the Trust"), an employee benefit trust for the benefit of the group's employees. On 17 December 2007 the company made an interest free loan to the Trust amounting to £1,386,800 to enable the Trust to purchase 9,856 redeemable 'A' shares for £1,379,840 out of a total of 10,201 issued redeemable 'A' shares. The loan is interest free and has no fixed repayment date. Accounting conventions require the assets, liabilities and results of the Employee Benefit Trust ("EBT") are combined with those of the company and therefore the loan due from the Trust does not show in the balance sheets of either the individual company or the group as it is offset by the liability shown in the financial statements of the EBT.

The assets and liabilities of the EBT at 31 December 2009 were as follows

	2009 £	2008 £
Investment Payment of £140 per share made to acquire 9,856 redeemable 'A' shares (shown as a deduction from reserves in note 21 above)	1,401,785	1,401,785
Cash at bank and in hand	534	534
Other creditors	-	-
	<u>1,402,319</u>	<u>1,402,319</u>

Regent Group Limited

Notes to the financial statements

Year ended 31 December 2009

22 Reconciliation of movements in shareholders' funds

	2009 £	2008 £
Loss for the financial year	(61,036)	(310,639)
Translation differences on foreign currency net investments in subsidiary undertakings	(3,389)	6,666
Revaluation reserve movement	(17,500)	17,500
Employment Benefit Trust - movement	-	(14,985)
Net increase of shareholders' deficit	(81,925)	(301,458)
Opening shareholders' deficit	(666,670)	(365,212)
Closing shareholders' deficit	(748,595)	(666,670)

Company	2009 £	2008 £
Loss for the financial year	(49,944)	(139,039)
Employment Benefit Trust – Movement	-	(14,985)
Net increase of shareholders' deficit	(49,944)	(154,024)
Opening shareholders' deficit	(730,553)	(576,529)
Closing shareholders' deficit	(780,497)	(730,553)

23 Notes to the cash flow statement

Reconciliation of operating profit/(loss) to net cash inflow/(outflow) from operating activities

	2009 £	2008 £
Operating profit/(loss)	3,053	(375,616)
Depreciation	9,899	16,878
Receipt in the form of fixed asset investments	-	(50,000)
(Increase)/decrease in debtors	(75,376)	56,763
Increase in creditors	336,079	286,050
Decrease in provisions	-	(329,463)
Exchange adjustment	(3,389)	6,666
Net cash inflow/(outflow) from operating activities	270,266	(388,722)

Regent Group Limited

Notes to the financial statements

Year ended 31 December 2009

23 Notes to the cash flow statement (*continued*)

Reconciliation of net cash flow to movement in net debt

	2009 £	2008 £
Increase/(decrease) in cash in the period	232,196	(462,366)
Change in net debt	232,196	(462,366)
Net funds at 1 January 2009	36,936	499,302
Net funds at 31 December 2009	269,132	36,936

Analysis of changes in net debt

	At 1 Jan 2009 £	Cash flows £	At 31 Dec 2009 £
Net cash			
Cash in hand and at bank	36,936	232,196	269,132

24. Control

The company is under the control of the directors, whose interests are detailed in the directors' report