

Company Registration No. 03481321

HOLDINGHAM GROUP LIMITED
CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 30 June 2013

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HOLDINGHAM GROUP LIMITED

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HOLDINGHAM GROUP LIMITED

COMPANY INFORMATION

The Board of Directors

Sir John Rose (Chairman)
Niall FitzGerald KBE (resigned 31 July 2013)
Kerth Craig
Sir Kieran Prendergast (resigned 28 February 2013)
Robert Webb QC
Matthew Williams

Company Secretary

Charles Olver

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 2013

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 2013

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

Business review

The directors are pleased to report a good set of results, with turnover increasing by 9% to £36.6m and profit for the financial year by 2% to £6.5m. The Board anticipates further growth in the year ahead.

Total dividends for the year amounted to £3.12 per share, particulars of which are detailed in Note 7 to the financial statements. The company's long leasehold property was revalued during the year, helping shareholders' funds increase from £11.9m to £16.5m.

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 2013	At 30 June 2012
Sir John Rose (Chairman)	1,562	1,562
Niall FitzGerald KBE	34,000	44,000
Keith Craig	98,508	98,508
Sir Kieran Prendergast	-	10,000
Robert Webb QC	5,000	10,000
Matthew Williams	1,562	1,562

Sir Kieran Prendergast resigned as a director on 28 February 2013 and subsequent to the year end on 31 July 2013 Niall FitzGerald resigned as a director.

HOLDINGHAM GROUP LIMITED

THE DIRECTORS' REPORT (*continued*)

YEAR ENDED 30 JUNE 2013

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.

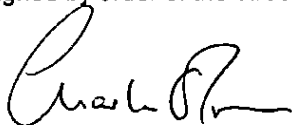
The directors confirm that -

- 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.

Auditor

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

Signed by order of the directors



Charles Olver
Company Secretary

Approved by the directors on 23/10/ 2013

**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 2013 which comprise the Group Profit and Loss Account, the Group and Parent Company Balance Sheets, the Group Statement of Recognised Gains and Losses, the Group Cash Flow Statement, the Group and Parent Company Reconciliation of Movement in Shareholder Funds 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 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 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 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 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 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 2013 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 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

13 NOVEMBER 2013

HOLDINGHAM GROUP LIMITED**CONSOLIDATED PROFIT and LOSS ACCOUNT****For the year ended 30 June 2013**

	Note	2013 £	2012 £
Turnover	2	36,599,698	33,634,272
Cost of sales		(4,306,231)	(5,289,332)
		-----	-----
Gross profit		32,293,467	28,344,940
Administrative expenses		(23,997,207)	(20,111,754)
		-----	-----
Group operating profit	3	8,296,260	8,233,186
Interest receivable		81,309	71,025
		-----	-----
Profit on ordinary activities before taxation		8,377,569	8,304,211
Taxation on profit on ordinary activities	6	(1,835,274)	(1,888,614)
		-----	-----
Profit for the financial year	24	6,542,295	6,415,597
		=====	=====

All of the activities of the group are classed as continuing

The notes on pages 11 to 24 form part of these financial statements

HOLDINGHAM GROUP LIMITED

CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

As at 30 June 2013

	2013	2012
	£	£
Profit for the financial year	6,542,295	6,415,597
Unrealised surplus on revaluation of long leasehold property	2,651,440	-
Total Recognised Profit for the financial year	9,193,735	6,415,597
	=====	=====

The notes on pages 11 to 24 form part of these financial statements

HOLDINGHAM GROUP LIMITED

CONSOLIDATED BALANCE SHEET

As at 30 June 2013

	Note	2013		2012	
		£	£	£	£
Fixed assets					
Tangible assets	8		6,475,177		2,386,391
Investments	10		157,487		157,487
			<u>6,632,664</u>		<u>2,543,878</u>
Current assets					
Work in progress	12	146,873		98,013	
Debtors	13	9,904,720		9,556,257	
Cash at bank and in hand		12,149,850		12,653,351	
		<u>22,201,443</u>		<u>22,307,621</u>	
Creditors Amounts falling due within one year	14	(12,309,473)		(12,903,279)	
Net current assets			<u>9,891,970</u>		<u>9,404,342</u>
Total assets less current liabilities			<u>16,524,634</u>		<u>11,948,220</u>
Creditors Amounts falling due after more than one year	15		(9,406)		(9,406)
Net assets			<u>16,515,228</u>		<u>11,938,814</u>
			=====		=====
Capital and reserves					
Called up equity share capital	19		59,500		59,500
Share premium account	20		1,335,900		1,335,900
Capital redemption reserve	22		19,700		19,700
Revaluation reserve	23		2,651,440		-
Profit and loss account	24		22,412,626		17,637,056
			<u>26,479,166</u>		<u>19,052,156</u>
Own shares – Employee Benefit Trust	21		(9,963,938)		(7,113,342)
Shareholders' funds	25		<u>16,515,228</u>		<u>11,938,814</u>
			=====		=====

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



Sir J Rose

23/10/ 2013

Company Registration Number - 03481321

The notes on pages 11 to 24 form part of these financial statements

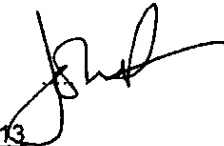
HOLDINGHAM GROUP LIMITED

COMPANY BALANCE SHEET

As at 30 June 2013

	Note	2013		2012 Restated	
		£	£	£	£
Fixed assets					
Tangible assets	9		5,958,625		2,376,150
Investments	11		538,557		472,312
			<u>6,497,182</u>		<u>2,848,462</u>
Current assets					
Work In Progress	12	86,113		87,272	
Debtors	13	7,934,534		8,913,009	
Cash at bank and in hand		9,008,712		9,388,976	
		<u>17,029,359</u>		<u>18,389,257</u>	
Creditors Amounts due within one year	14	(8,781,875)		(10,642,759)	
Net current assets			<u>8,247,484</u>		<u>7,746,498</u>
Total assets less current liabilities			<u>14,744,666</u>		<u>10,594,960</u>
Creditors Amounts due after more than one year	15		(9,406)		(9,406)
Net assets			<u>14,735,260</u> =====		<u>10,585,554</u> =====
Capital and reserves					
Called up share capital	19		59,500		59,500
Share premium account	20		1,335,900		1,335,900
Capital redemption reserve	22		19,700		19,700
Revaluation reserve	23		2,651,440		-
Profit and loss account	24		20,632,658		16,283,796
			<u>24,699,198</u>		<u>17,698,896</u>
Own shares – Employee Benefit Trust	21		(9,963,938)		(7,113,342)
Shareholders' funds	25		<u>14,735,260</u> =====		<u>10,585,554</u> =====

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

23 / 10 / 2013 

Sir J Rose

Company Registration Number - 03481321

The notes on pages 11 to 24 form part of these financial statements

HOLDINGHAM GROUP LIMITED

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 30 June 2013

	Note	2013 £	2012 £
Net cash inflow from operating activities	26(i)	9,294,817	11,170,530
Returns on investments and servicing of finance			
Interest received		92,066	60,432
Taxation		(2,151,473)	(2,000,898)
Capital expenditure			
Payments to acquire tangible fixed assets		(1,824,056)	(375,238)
Equity dividends paid		(1,671,008)	(2,762,456)
Cash inflow before financing		3,740,346	6,092,370
Management of liquid resources			
Amounts withdrawn from/(placed on) deposit		1	(3,500,001)
Financing			
Net (purchase)/sale of shares by Employee Benefit Trust		(4,243,848)	236,014
(Decrease)/increase in cash	26(ii)	<u>(503,501)</u>	<u>2,828,383</u>

The notes on pages 11 to 24 form part of these financial statements

HOLDINGHAM GROUP LIMITED

NOTES to the FINANCIAL STATEMENTS

For the year ended 30 June 2013

1. Accounting policies

Accounting convention

The financial statements are prepared under the historical cost convention, as modified by the revaluation of certain fixed assets, 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 2013 and of its subsidiary companies, Holdingham Group (Asia) Pte Limited, Holdingham Group (North America) Limited, Chai Consulting Limited (Guernsey) and Holdingham Group Japan KK 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 £6,115,587 (2012 £4,936,254)

Going Concern

The financial statements have been prepared on a going concern basis. The directors have assessed the Group and Parent Company's ability to continue as a going concern and have reasonable expectation that the Group and Parent Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing these financial statements

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	-	Shorter of life of lease or 10% Straight line
Office Equipment	-	25% Straight line
Furniture and Fittings	-	20% Straight line
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 and the estimated residual value

In accordance with Financial Reporting Standard 15 an impairment review under Financial Reporting Standard 11 is performed on the long leasehold property. During the year the directors obtained a valuation of the property as part of this review and agreed that it was appropriate to reflect this value within the financial statements as detailed in notes 8 and 9

The directors undertook a review of the group's depreciation policies during the year and it was agreed that it was appropriate to amend these from a reducing balance basis to a straight line basis. The directors believe that the revised policy more accurately reflects the useful economic lives of the assets. The directors also reviewed the net book value of the existing assets and impaired these in line with their estimate of their current net book value. This has resulted in an additional depreciation charge during the year of £79,829

Work in progress

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

HOLDINGHAM GROUP LIMITED

NOTES to the FINANCIAL STATEMENTS (Contd)

For the year ended 30 June 2013

1. Accounting policies (Contd)

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

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

Prior year adjustment

During the year the directors took the decision that it was appropriate to raise a charge to the subsidiary undertakings in respect of all shares issued in the parent undertaking to employees of the subsidiary undertakings. This policy has also been applied to all previous shares issued. The change in policy has no impact on the statutory profit and loss reported for either the group or company. However, the retained profit of the company brought forward and the amounts due by subsidiary undertakings have been restated to reflect the recharge to these undertakings amounting to £1,315,919

HOLDINGHAM GROUP LIMITED**NOTES to the FINANCIAL STATEMENTS (Contd)****For the year ended 30 June 2013****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

3. Operating profit	2013	2012
	£	£
This is stated after charging		
Depreciation of own fixed assets	386,710	130,485
Operating lease/rental – property	869,553	193,308
Auditor's remuneration		
– as auditors	14,250	13,500
– for other services	45,468	43,359
Net (gain)/loss on foreign currency translation	(38,383)	25,486
	=====	=====

4. Particulars of employees

The aggregate payroll costs were	2013	2012
	£	£
Wages and salaries	11,714,604	10,679,539
Social security costs	1,180,942	1,209,840
Other pension costs	621,775	529,154
Equity-settled share based payments	1,297,535	1,214,475
	-----	-----
	14,814,856	13,633,008
	=====	=====

	No	No
The average number of employees during the year	64	56
	=====	=====

5. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services were

	2013	2012
	£	£
Remuneration receivable	1,327,618	1,228,917
Value of company pension contributions to money purchase schemes	22,000	8,332
	-----	-----
	1,349,618	1,237,249
	=====	=====

Remuneration of highest paid director:

	2013	2012
	£	£
Total remuneration (excluding pension contributions)	1,175,618	1,125,667
Value of company pension contributions to money purchase schemes	22,000	8,332
	-----	-----
	1,197,618	1,133,999
	=====	=====

HOLDINGHAM GROUP LIMITED

NOTES to the FINANCIAL STATEMENTS (Contd)

For the year ended 30 June 2013

5. Directors' remuneration (Contd)

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

	2013	2012
	No	No
Money purchase schemes	1	1
	==	==

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

	2013	201
	No	No
Directors who exercised share options	-	2
	==	==

6 Tax on profit on ordinary activities

	2013	2012
	£	£
(a) Analysis of charge in the year		
Current tax		
UK Corporation tax based on the results for the year at 24%/23% (2012 26%/24%)	1,266,610	2,417,064
Under provision in prior year	76,714	799
	-----	-----
Total current tax	1,343,324	2,417,863
Deferred tax		
Origination and reversal of timing differences – current year	476,192	(522,143)
Origination and reversal of timing differences – prior year	15,758	(7,106)
	-----	-----
Tax in profit on ordinary activities	1,835,274	1,888,614
	=====	=====
(b) Factors affecting current tax charge		
Profit on ordinary activities before taxation	8,377,569	8,304,211
	=====	=====
Profit on ordinary activities by rate of tax	1,989,730	2,117,801
Expenses not deductible for tax purposes	179,426	162,571
Equity-settled share-based payments	252,359	215,017
Losses brought forward	(13,619)	(20,634)
Capital allowances for period in excess of depreciation	22,704	(7,960)
Other timing differences	(520,511)	506,430
Employee share deductions	(403,082)	(217,044)
Adjustment to tax charge in respect of previous periods	76,714	799
Tax rate differences	(240,397)	(339,117)
	-----	-----
	1,343,324	2,417,863
	=====	=====

HOLDINGHAM GROUP LIMITED

NOTES to the FINANCIAL STATEMENTS (Contd)

For the year ended 30 June 2013

7. Dividends

Equity dividends	2013 £	2012 £
Interim dividend paid of £1 68 per share (2012 £3 32 per share)	922,474	1,736,871
Second interim dividend paid of £1 44 per share (2012 £1 92 per share)	748,534	1,025,585
	<u>1,671,008</u>	<u>2,762,456</u>

The directors proposed an interim dividend in July 2013 of £2 66 (2012 £1 68) per share

8. Tangible fixed assets (Group)

	Long Leasehold Property £	Short Leasehold Property £	Office Equipment £	Furniture & Fittings £	Computer Equipment £	Total £
Cost or valuation						
At 1 July 2012	2,133,997	-	103,033	130,990	663,595	3,031,615
Additions	288,032	1,068,112	80,200	223,901	163,811	1,824,056
Revaluation	2,438,198	-	-	-	-	2,438,198
At 30 June 2013	<u>4,860,227</u>	<u>1,068,112</u>	<u>183,233</u>	<u>354,891</u>	<u>827,406</u>	<u>7,293,869</u>
Depreciation						
At 1 July 2012	137,204	-	77,759	98,917	331,344	645,224
Charge for the year	76,038	76,174	23,025	36,424	175,049	386,710
Revaluation	(213,242)	-	-	-	-	(213,242)
At 30 June 2013	<u>-</u>	<u>76,174</u>	<u>100,784</u>	<u>135,341</u>	<u>506,393</u>	<u>818,692</u>
Net book value						
At 30 June 2013	<u>4,860,227</u>	<u>991,938</u>	<u>82,449</u>	<u>219,550</u>	<u>321,013</u>	<u>6,475,177</u>
At 30 June 2012	<u>1,996,793</u>	<u>-</u>	<u>25,274</u>	<u>32,073</u>	<u>332,251</u>	<u>2,386,391</u>

On 31 May 2013 the long leasehold property was valued at £5,650,000 by Piers Saunders MRICS and Rupert De Barr FRICS (RICS registered valuers) for Cushman & Wakefield LLP. The basis of valuation is open market value, being market value with the special assumption that all proposed refurbishment works have been completed. The directors are satisfied that this value is an appropriate value, however, as at the year end they have excluded from the valuation all costs anticipated to the completion of the refurbishment. The historical cost of the long leasehold properties at 30 June 2013 was £2,422,029 (2012 £2,133,997).

HOLDINGHAM GROUP LIMITED

NOTES to the FINANCIAL STATEMENTS (Contd)

For the year ended 30 June 2013

9 Tangible fixed assets (Company)

	Long Leasehold Property £	Short Leasehold Property £	Office Equipment £	Furniture & Fittings £	Computer Equipment £	Total £
Cost or valuation						
At 1 July 2012	2,133,997	-	92,996	130,990	659,341	3,017,324
Additions	288,032	738,968	38,960	114,632	90,260	1,270,852
Revaluation	2,438,198	-	-	-	-	2,438,198
At 30 June 2013	4,860,227	738,968	131,956	245,622	749,601	6,726,374
Depreciation						
At 1 July 2012	137,204	-	74,887	98,917	330,166	641,174
Charge for year	76,038	50,237	18,151	29,392	165,999	339,817
Revaluation	(213,242)	-	-	-	-	(213,242)
At 30 June 2013	-	50,237	93,038	128,309	496,165	767,749
Net book value						
At 30 June 2013	4,860,227	688,731	38,918	117,313	253,436	5,958,625
At 30 June 2012	1,996,793	-	18,109	32,073	329,175	2,376,150

On 31 May 2013 the long leasehold property was valued at £5,650,000 by Piers Saunders MRICS and Rupert De Barr FRICS (RICS registered valuers) for Cushman & Wakefield LLP. The basis of valuation is open market value, being market value with the special assumption that all proposed refurbishment works have been completed. The directors are satisfied that this value is an appropriate value, however, as at the year end they have excluded from the valuation all costs anticipated to the completion of the refurbishment. The historical cost of the long leasehold properties at 30 June 2013 was £2,422,029 (2012 £2,133,997).

10. Investments (Group)

	Unlisted Investments £	Manuscripts and Antiques £	Total £
Cost			
At 1 July 2012 and 30 June 2013	82,190	75,297	157,487
Net book value			
At 30 June 2013	82,190	75,297	157,487
At 30 June 2012	82,190	75,297	157,487

HOLDINGHAM GROUP LIMITED

NOTES to the FINANCIAL STATEMENTS (Contd)

For the year ended 30 June 2013

11. Investments (Company)

	Shareholdings in Group Companies £	Unlisted Investments £	Manuscripts and Antiques £	Total £
Cost				
At 1 July 2012	314,825	82,190	75,297	472,312
Additions	66,245	-	-	66,245
	-----	-----	-----	-----
At 30 June 2013	381,070	82,190	75,297	538,557
	-----	-----	-----	-----
Net book value				
At 30 June 2013	381,070	82,190	75,297	538,557
	=====	=====	=====	=====
At 30 June 2012	314,825	82,190	75,297	472,312
	=====	=====	=====	=====

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, Chai Consulting Limited, a company incorporated in Guernsey and Holdingham Group Japan KK, a company incorporated in Japan. Holdingham Group Japan KK was incorporated on 9 May 2013 and commenced trading on 14 August 2013.

In addition, the company also owns 100% of the issued share capital of Voyager Business Consulting Limited, Hakluyt & Company Limited and Pelorus Research Limited. These companies are all incorporated and registered in England and Wales and were all dormant throughout the year to 30 June 2013.

12. Work In Progress

	2013		2012	
	Group £	Company £	Group £	Company £
Work in progress	146,873	86,113	98,013	87,272
	=====	=====	=====	=====

13. Debtors

	2013		2012	
	Group £	Company £	Group £	Company (restated) £
Trade debtors	7,602,993	4,149,829	5,951,795	4,042,885
Amounts owed by group undertakings	-	2,059,979	-	1,778,489
S455 tax recoverable	225,000	225,000	225,000	225,000
Other debtors	365,538	836	107,745	4,827
Director's loan	-	-	900,000	900,000
Prepayments and accrued income	1,340,149	1,127,850	1,508,727	1,098,818
Deferred tax asset (note 16)	371,040	371,040	862,990	862,990
	-----	-----	-----	-----
	9,904,720	7,934,534	9,556,257	8,913,009
	=====	=====	=====	=====

The director's loan related to a loan to Niall FitzGerald of £Nil (2012 £900,000). An amount of £900,000 was written off during the financial year. Interest was accrued on the loan at the rate of 4% per annum. As at 30 June 2013, interest of £27,000 (2012 £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 2013

14. Creditors Amounts falling due within one year

	2013		2012	
	Group	Company	Group	Company
	£	£	£	£
Trade creditors	1,471,341	1,271,577	1,049,065	899,625
Amounts owed to group undertakings	-	30,751	-	123,265
Corporation tax	899,811	83,220	1,482,960	935,965
Other taxes and social security costs	644,071	615,967	645,088	645,133
Other creditors	1,224	1,224	1,136	1,136
Accruals and deferred income	9,293,026	6,779,136	9,725,030	8,037,635
	<u>12,309,473</u>	<u>8,781,875</u>	<u>12,903,279</u>	<u>10,642,759</u>
	=====	=====	=====	=====

15 Creditors: Amounts falling due after more than one year

	2013		2012	
Preference share capital – authorised, issued and fully paid				
10% £0 10 non-redeemable preference shares	Shares	£	Shares	£
At 1 July 2012 and 30 June 2013	94,060	9,406	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. The holders of the preference shares have waived their right to receive the dividend.

16. Deferred tax

	2013		2012	
	Group	Company	Group	Company
	£	£	£	£
The deferred tax included in the balance sheet is as follows				
Provision for deferred tax	(371,040)	(371,040)	(862,990)	(862,990)
	=====	=====	=====	=====
The movement in the deferred taxation account during the year was				
Balance brought forward	(862,990)	(862,990)	(333,741)	(333,741)
Profit and loss account movement arising during prior year	15,758	15,758	(7,106)	(7,106)
Profit and loss account movement arising during the year	476,192	476,192	(522,143)	(522,143)
	<u>(371,040)</u>	<u>(371,040)</u>	<u>(862,990)</u>	<u>(862,990)</u>
	=====	=====	=====	=====

HOLDINGHAM GROUP LIMITED**NOTES to the FINANCIAL STATEMENTS (Contd)****For the year ended 30 June 2013****16. Deferred tax (Contd)**

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

	Group	2013	Group	2012
	£	Company	£	Company
		£		£
Excess of taxation allowances over depreciation on fixed assets	54,568	54,568	33,819	33,819
Short term timing differences	(425,608)	(425,608)	(896,809)	(896,809)
	-----	-----	-----	-----
	(371,040)	(371,040)	(862,990)	(862,990)
	=====	=====	=====	=====

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 £621,775 (2012 £529,154). At 30 June 2013 pension contributions of £423,886 were outstanding (2012 £366,465).

18. Commitments under operating leases

At 30 June 2013 the group and company had annual commitments under non-cancellable operating leases as set out below

	Land and Buildings	2013	Land and Buildings	2012
	Group	Land and Buildings	Land and Buildings	Land and Buildings
	£	Company	Group	Company
		£	£	£
Operating leases which expire				
in less than one year	-	-	193,308	173,507
Within 1 to 2 years	571,000	571,000	-	-
Within 2 to 5 years	138,283	-	-	-
Over 5 years	210,919	-	-	-
	-----	-----	-----	-----
	920,202	571,000	193,308	173,507
	=====	=====	=====	=====

The company's operating lease for land and buildings relates to rent for premises in London. The group operating lease commitment includes 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 2013

19. Share capital

Allotted, called up and fully paid:

	2013		2012	
	No	£	No	£
Ordinary shares of £0 10 each	595,000	59,500	595,000	59,500
	=====	=====	=====	=====

20. Share premium account

	2013	2012
	£	£
Share premium account	1,335,900	1,335,900
	=====	=====

21. Employee Benefit Trust (Group and Company)

	2013	2012
	£	£
Own shares – Employee Benefit Trust	9,963,938	7,113,342
	=====	=====

The Employee Benefit Trust holds shares solely for distribution to employees. During the year the Trust purchased 67,863 shares in the company and distributed 34,780 (2012 42,932) shares to employees. At 30 June 2013 the Trust held 78,991 ordinary shares of £0 10 each and 94,060 preference shares of £0 10 each (2012 45,908 ordinary shares and 94,060 preference 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

	2013	2012
	£	£
Capital redemption reserve	19,700	19,700
	=====	=====

23. Revaluation reserve

	2013	2012
	£	£
At 1 July 2012	-	-
Revaluation of properties	2,651,440	-
	=====	=====
At 30 June 2013	2,651,440	-
	=====	=====

HOLDINGHAM GROUP LIMITED

NOTES to the FINANCIAL STATEMENTS (Contd)

For the year ended 30 June 2013

24. Profit and loss account

	2013		2012	
	Group	Company	Group	Company (restated)
	£	£	£	£
Balance at 1 July 2012 (restated)	17,637,056	16,283,796	13,514,198	13,640,281
Profit for the year	6,542,295	6,115,587	6,415,597	4,936,254
First interim dividend paid	(922,474)	(922,474)	(1,736,871)	(1,736,871)
Second interim dividend paid	(748,534)	(748,534)	(1,025,585)	(1,025,585)
Loss on sale of own shares – EBT	(1,393,252)	(1,158,252)	(744,758)	(373,395)
	21,115,091	19,570,123	16,422,581	15,440,684
Recognition of equity settled share based payments and contributions	1,297,535	1,062,535	1,214,475	843,112
Balance carried forward at 30 June 2013	22,412,626	20,632,658	17,637,056	16,283,796

25. Reconciliation of movements in shareholders' funds

	2013		2012	
	Group	Company	Group	Company (restated)
	£	£	£	£
Profit for the year	6,542,295	6,115,587	6,415,597	4,936,254
First interim dividend paid	(922,474)	(922,474)	(1,736,871)	(1,736,871)
Second interim dividend paid	(748,534)	(748,534)	(1,025,585)	(1,025,585)
Loss on sale of own shares – EBT	(1,393,252)	(1,158,252)	(744,758)	(373,395)
Recognition of equity settled share based payments and contributions	1,297,535	1,062,535	1,214,475	843,112
Reclassification of Ordinary shares	-	-	(9,406)	(9,406)
Revaluation of properties	2,651,440	2,651,440	-	-
	7,427,010	7,000,302	4,113,452	2,634,109
Movement on own shares – Employee Benefit Trust (below)	(2,850,596)	(2,850,596)	980,772	980,772
Net addition to shareholders' funds	4,576,414	4,149,706	5,094,224	3,614,881
Opening shareholders' funds (restated)	11,938,814	10,585,554	6,844,590	6,970,673
Closing shareholders' funds	16,515,228	14,735,260	11,938,814	10,585,554

Movement on own shares – Employee Benefit Trust

	2013		2012	
	Group	Company	Group	Company (restated)
	£	£	£	£
Purchase of own shares	(4,642,730)	(4,642,730)	(1,087,657)	(1,087,657)
Sale of own shares	398,882	633,882	1,323,671	1,695,034
Loss on sale of own shares	1,393,252	1,158,252	744,758	373,395
Movement in year	(2,850,596)	(2,850,596)	980,772	980,772
Balance brought forward	(7,113,342)	(7,113,342)	(8,094,114)	(8,094,114)
Balance carried forward	(9,963,938)	(9,963,938)	(7,113,342)	(7,113,342)

HOLDINGHAM GROUP LIMITED

NOTES to the FINANCIAL STATEMENTS (Contd)

For the year ended 30 June 2013

26. Notes to the cash flow statement

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

	2013	2012
	£	£
Operating profit	8,296,260	8,233,186
Depreciation	386,710	130,485
Decrease/(increase) in work in progress	(48,860)	3,918
Increase in debtors	(626,171)	(1,391,983)
(Decrease)/increase in creditors	(10,657)	2,980,449
Equity share based payments	1,297,535	1,214,475
	<hr/>	<hr/>
Net cash inflow from operating activities	9,294,817	11,170,530
	<hr/>	<hr/>

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

(Decrease)/increase in cash	(503,501)	6,328,384
	<hr/>	<hr/>
Change in net funds	(503,501)	6,328,384
	<hr/>	<hr/>
Opening net funds	12,653,351	6,324,967
	<hr/>	<hr/>
Closing net funds	12,149,850	12,653,351
	<hr/>	<hr/>

(iii) Analysis of changes in net funds

	At	Cash	At
	1 July	Flows	30 June
	2012		2013
	£	£	£
Cash at bank and in hand	6,653,350	(503,500)	6,149,850
Short-term deposits	6,000,001	(1)	6,000,000
	<hr/>	<hr/>	<hr/>
Total	12,653,351	(503,501)	12,149,850
	<hr/>	<hr/>	<hr/>

27. Capital commitments

Amounts of £789,773 were contracted for but not provided in the financial statements at 30 June 2013 (2012 - £Nil)

HOLDINGHAM GROUP LIMITED**NOTES to the FINANCIAL STATEMENTS (Contd)****For the year ended 30 June 2013****28. 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 2013

The remaining options outstanding under approved schemes at 30 June 2013 are shown below

Number of shares		Option exercise price	Date granted	Option exercise period
2013	2012			
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	4,000	£18 80	Nov 2007	Nov 2010 - Nov 2015
1,646	2,115	£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	2,440	£0 00	Aug 2011	Aug 2014 - Aug 2019
-----	-----			
20,870	21,339			
=====	=====			

The remaining options outstanding under unapproved schemes at 30 June 2013 are shown below

Number of shares		Option exercise price	Date granted	Option exercise period
2013	2012			
-	15,840	£12 24 - £15 30	Apr 2006	Apr 2006 - Dec 2013
10,666	10,666	£15 00 - £18 75	May 2007	May 2007 - Apr 2015
2,745	2,745	£18 80 - £23 50	Nov 2007	Nov 2007 - Nov 2015
610	610	£32 80 - £41 00	Dec 2009	Dec 2012 - Dec 2017
2,646	2,646	£32 80 - £41 00	Sep 2010	Sep 2013 - Sep 2018
510	510	£39 20 - £41 00	Nov 2010	Nov 2013 - Nov 2018
510	510	£39 20 - £41 00	Dec 2010	Dec 2013 - Dec 2018
-----	-----			
17,687	33,527			
=====	=====			

The options granted in both the year to 30 June 2013 and 30 June 2012 were issued at nil cost. Consequently there was therefore no requirement in either year to apply a mathematical model to their valuation.

HOLDINGHAM GROUP LIMITED**NOTES to the FINANCIAL STATEMENTS (Contd)****For the year ended 30 June 2013****28. Equity settled share based payment transactions (contd)**

Further details of the two share option plans are as follows

	Number of options	2013 Weighted average	Number of options	2012 Weighted average
Outstanding at start of year	54,866	£13 97	69,537	£16 71
Granted	12,301	£0 00	2,440	£0 00
Forfeited	-	£0 00	1,064	£18 80
Exercised	28,610	£7 20	16,047	£23 41
Outstanding at end of year	38,557	£14 53	54,866	£13 97
Exercisable at end of year	29,551	£14 67	41,265	£15 02

The weighted average remaining contractual life of share options outstanding at 30 June 2013 was 3.1 years (2012 3.3 years)

29. Ultimate controlling party

There is no ultimate controlling party