

# **Holdingham Group Limited**

Report and Financial Statements

Year Ended

30 June 2015

Company Number 03481321



# Holdingham Group Limited

## Report and financial statements for the year ended 30 June 2015

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### Directors

Sir J Rose (Chairman)  
K Craig  
R Webb QC  
M Williams

### Secretary and registered office

C Olver, 34 Upper Brook Street, London, W1K 7QS

### Company number

03481321

### Auditors

BDO LLP, 55 Baker Street, London, W1U 7EU

# Holdingham Group Limited

## Strategic report for the year ended 30 June 2015

The directors present their strategic report together with the audited financial statements for the year ended 30 June 2015.

### Review and analysis of the business

The Group continued its principal activities throughout the current year as shown in the directors' report.

### Key performance indicators

Management use a range of performance measures to monitor and manage the business. The performance measures are split into financial and non-financial key performance indicators as set out below.

Analysis using key performance indicators e.g.

#### Profit ratios:

Revenue Growth	7.9%	(2014 - 13.3%)
Gross profit margin	87.7%	(2014 - 88.3%)
Operating profit margin	25.4%	(2014 - 24.6%)

#### Cash flow/working capital metrics:

Operating cash flow to operating profit	0.77	(2014 - 1.25)
Debtor days	97	(2014 - 75.7)

#### Other metrics:

Revenue per employee	£ 0.68m	(2014 - £0.63m)
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### Development and financial performance

As reported in the Group's profit and loss account, Group revenue has shown an increase of 7.9% from £41.5m to £44.7m in the current period. Profit after tax has increased from £8.0m to £8.7m. The increase in the results is believed to be due to the continuing geographical expansion of the business and improvement in the quality of relationships with clients and in the services offered by the Group in the period under review.

### Financial position at the reporting date

The balance sheet shows that the Group's net assets at the year end has decreased from £15.3m to £13.9m. This is in part due to the repurchase by the Employee Benefit Trust of shares from current and former shareholders at a cost of £8.9m which has been undertaken to incentivise those employees continuing to contribute to the business by allowing them to acquire additional shares.

The Group generated cash from operations of £8.7m (2014 - £12.8m). In addition, the Group had no borrowings at the year end (2014 - Nil). The Group utilised an overdraft facility within the year to facilitate its short term funding requirements following the purchase of its own shares via the Employee Benefit Trust.

# Holdingham Group Limited

## Strategic report for the year ended 30 June 2015 (*continued*)

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### Principal risks and uncertainties facing the business

Management continually monitor the key risks facing the Group/Company together with assessing the controls used for managing these risks. The board of directors formally reviews and documents the principal risks facing the business at least annually.

The principal risks and uncertainties facing the Group/Company are as follows:

- Quality control - the services provided by the business are of an extremely high standard. A reduction in the quality of the services to clients could adversely impact client relationships and therefore revenues. The Group manages this risk by having robust quality control processes and appropriate personnel in place.
- Loss of key personnel - the loss of a significant number of key personnel would present significant operational difficulties for the Group. Management seek to ensure that key personnel are appropriately remunerated to ensure that good performance is recognised.

This report was approved by the board on 6/11/15 and signed on its behalf by:



K Craig  
Chief Executive Officer

# Holdingham Group Limited

## Report of the directors for the year ended 30 June 2015

The directors present their report together with the audited financial statements for the year ended 30 June 2015.

### Principal activity

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

### Directors

The directors of the company during the year were:

	Ordinary shares of £0.10 each	
	2015	2014
Sir J Rose (Chairman)	3,392	3,392
K Craig	43,508	98,508
R Webb QC	5,000	5,000
M Williams	1,562	1,562

### 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 fulfil 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.

# Holdingham Group Limited

## Report of the directors for the year ended 30 June 2015 (*continued*)

### Directors' responsibilities.

The directors are responsible for preparing the strategic report, 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 group and company 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 company and of the profit or loss of the group and company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements 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 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.

### Auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

Chiene & Tait LLP resigned as auditors of the company during the year and BDO LLP were appointed as auditors of the company by the directors. BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them as auditors will be proposed at the next annual general meeting.

### By order of the Board

C Oliver



Secretary

Date

6/11/15

# Holdingham Group Limited

## Independent auditor's report

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### TO THE MEMBERS OF HOLDINGHAM GROUP LIMITED

We have audited the financial statements of Holdingham Group Limited for the year ended 30 June 2015 which comprise the consolidated profit and loss account, the consolidated and company balance sheets, the consolidated 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 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 law, we do not accept or assume 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 auditors

As explained more fully in the statement of directors' responsibilities, 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 Financial Reporting Council's (FRC'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 FRC's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 30 June 2015 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 matters prescribed by the Companies Act 2006

In our opinion the information given in the strategic report and directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

# Holdingham Group Limited

## Independent auditor's report (*continued*)

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### 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.



Nicholas Carter-Pegg (senior statutory auditor)  
For and on behalf of BDO LLP, statutory auditor  
London  
United Kingdom

Date

6/11/15

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

# Holdingham Group Limited

## Consolidated profit and loss account for the year ended 30 June 2015

	Note	2015 £	2014 £
<b>Turnover</b>		<b>44,726,768</b>	41,458,953
Cost of sales		<u>(5,505,372)</u>	<u>(4,850,695)</u>
<b>Gross profit</b>		<b>39,221,396</b>	36,608,258
Administrative expenses		<u>(27,848,783)</u>	<u>(26,414,494)</u>
<b>Operating profit</b>	5	<b>11,372,613</b>	10,193,764
Interest receivable		<u>4,810</u>	<u>3,379</u>
<b>Profit on ordinary activities before taxation</b>		<b>11,377,423</b>	10,197,143
Taxation on profit from ordinary activities	6	<u>(2,687,368)</u>	<u>(2,209,182)</u>
<b>Profit for the financial year</b>	20	<b><u>8,690,055</u></b>	<b><u>7,987,961</u></b>

All amounts relate to continuing activities.

All recognised gains and losses in the current and prior year are included in the profit and loss account.

The notes on pages 11 to 26 form part of these financial statements.

# Holdingham Group Limited

## Consolidated balance sheet at 30 June 2015

<i>Company number 03481321</i>	<i>Note</i>	<b>2015</b> £	<b>2015</b> £	<b>2014</b> £	<b>2014</b> £
<b>Fixed assets</b>					
Tangible assets	8		<b>6,593,287</b>		6,794,801
Investments	9		<b>157,487</b>		157,487
			<b>6,750,774</b>		6,952,288
<b>Current assets</b>					
Stocks	10	<b>105,863</b>		105,862	
Debtors	11	<b>14,655,490</b>		10,808,129	
Cash at bank and in hand		<b>6,555,966</b>		11,993,625	
		<b>21,317,319</b>		22,907,616	
<b>Creditors: amounts falling due within one year</b>	12	<b>(14,171,790)</b>		(14,536,107)	
<b>Net current assets</b>			<b>7,145,529</b>		8,371,509
<b>Total assets less current liabilities</b>			<b>13,896,303</b>		15,323,797
<b>Creditors: amounts falling due after more than one year</b>	13		<b>(19,406)</b>		(9,406)
			<b>13,876,897</b>		15,314,391
<b>Capital and reserves</b>					
Called up share capital	16		<b>49,500</b>		59,500
Share premium account	17		<b>1,335,900</b>		1,335,900
Capital redemption reserve	18		<b>19,700</b>		19,700
Revaluation reserve	19		<b>2,651,440</b>		2,651,440
Profit and loss account	20		<b>34,303,405</b>		28,446,285
<b>Shareholders' funds</b>			<b>38,359,945</b>		32,512,825
Own shares - Employee Benefit Trust	21		<b>(24,483,048)</b>		(17,198,434)
<b>Shareholders' funds</b>	22		<b>13,876,897</b>		15,314,391

The financial statements were approved by the Board of Directors and authorised for issue on 6/11/15.

  
Sir J. Rose  
Director

The notes on pages 11 to 26 form part of these financial statements.

# Holdingham Group Limited

## Company balance sheet at 30 June 2015

Company number 03481321	Note	2015 £	2015 £	2014 £	2014 £
<b>Fixed assets</b>					
Tangible assets	8		6,330,166		6,386,236
Investments	9		538,557		538,557
			<u>6,868,723</u>		<u>6,924,793</u>
<b>Current assets</b>					
Stocks	10	71,417		71,417	
Debtors	11	12,091,372		11,006,323	
Cash at bank and in hand		5,343,798		7,666,714	
		<u>17,506,587</u>		<u>18,744,454</u>	
<b>Creditors: amounts falling due within one year</b>	12	(10,901,714)		(10,714,321)	
		<u></u>		<u></u>	
<b>Net current assets</b>			6,604,873		8,030,133
<b>Total assets less current liabilities</b>			<u>13,473,596</u>		<u>14,954,926</u>
<b>Creditors: amounts falling due after more than one year</b>	13		(19,406)		(9,406)
			<u>13,454,190</u>		<u>14,945,520</u>
<b>Capital and reserves</b>					
Called up share capital	16		49,500		59,500
Share premium account	17		1,335,900		1,335,900
Capital redemption reserve	18		19,700		19,700
Revaluation reserve	19		2,651,440		2,651,440
Profit and loss account	20		33,880,698		28,077,414
			<u>37,937,238</u>		<u>32,143,954</u>
<b>Shareholders' funds</b>					
Own shares - Employee Benefit Trust	21		(24,483,048)		(17,198,434)
			<u>13,454,190</u>		<u>14,945,520</u>
<b>Shareholders' funds</b>	22				

The financial statements were approved by the Board of Directors and authorised for issue on 6/11/15.

  
Sir J Rose  
Director

The notes on pages 11 to 26 form part of these financial statements.

# **Holdingham Group Limited**

## **Consolidated cash flow statement for the year ended 30 June 2015**

	Note	2015 £	2015 £	2014 £	2014 £
<b>Net cash inflow from operating activities</b>	26		<b>8,702,293</b>		<b>12,783,748</b>
<b>Returns on investments and servicing of finance</b>					
Interest received		<b>4,810</b>		<b>30,379</b>	
<b>Net cash inflow from returns on investments and servicing of finance</b>			<b>4,810</b>		<b>30,379</b>
<b>Taxation</b>			<b>(2,383,237)</b>		<b>(1,697,131)</b>
<b>Capital expenditure and financial investment</b>					
Payments to acquire tangible fixed assets			<b>(193,977)</b>		<b>(734,215)</b>
<b>Equity dividends paid</b>			<b>(2,763,398)</b>		<b>(2,079,291)</b>
<b>Cash inflow before financing</b>			<b>3,366,491</b>		<b>8,303,490</b>
<b>Financing</b>					
Net purchase of shares by Employee Benefit Trust			<b>(8,804,150)</b>		<b>(8,459,715)</b>
<b>Decrease in cash</b>	28		<b>(5,437,659)</b>		<b>(156,225)</b>

The notes on pages 11 to 26 form part of these financial statements.

# Holdingham Group Limited

## Notes forming part of the financial statements for the year ended 30 June 2015

### 1 Accounting policies

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 2015 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 £8,886,219 (2014 - £9,399,177).

#### *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.

Turnover is recognised on the following basis:

- a) Fees are recognised over the period of the relevant assignment or agreements as activity progresses. For jobs which fall over the financial period end, income is recognised to reflect the partial performance of the basis of the percentage completion of the job at the year end.

#### *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 previous 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 note 8.

# Holdingham Group Limited

## Notes forming part of the financial statements for the year ended 30 June 2015 (*continued*)

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### 1 Accounting policies (*continued*)

#### *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.

#### *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.

# Holdingham Group Limited

## Notes forming part of the financial statements for the year ended 30 June 2015 (continued)

### 2 Turnover

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 Employees

	2015 £	2014 £
Staff costs consist of:		
Wages and salaries	13,533,216	12,955,382
Social security costs	1,694,209	1,604,899
Other pension costs	563,943	611,735
Equity-settled share based payments	1,450,000	1,350,209
	<u>17,241,368</u>	<u>16,522,225</u>
	Number	Number
The average number of employees during the year	<u>66</u>	<u>66</u>

### 4 Directors' remuneration

	2015 £	2014 £
Directors' remuneration consist of:		
Remuneration receivable	1,481,658	1,464,505
Value of company pension contributions to money purchase schemes	-	26,667
	<u>1,481,658</u>	<u>1,491,172</u>
<i>Highest paid director</i>		
Total remuneration (excluding pension contributions)	1,276,658	1,225,898
Value of company pension contributions to money purchase schemes	-	26,667
	<u>1,276,658</u>	<u>1,252,565</u>
The number of directors who accrued benefits under company pension schemes was as follows:	Number	Number
Money purchase schemes	<u>1</u>	<u>1</u>
The number of directors who exercised share options during the year were as follows:		
Directors who exercised share options	<u>-</u>	<u>-</u>

# Holdingham Group Limited

## Notes forming part of the financial statements for the year ended 30 June 2015 (*continued*)

### 5 Operating profit

	2015 £	2014 £
This has been arrived at after charging:		
Depreciation of own fixed assets	395,490	414,590
Operating lease/rental – property	1,383,511	1,055,532
Auditors' remuneration:		
- as auditors	42,000	16,000
- for other services	28,750	10,706
Net gain on foreign currency translation	142,091	325,401

### 6 Taxation on profit from ordinary activities

#### a) *Analysis of charge in the year*

	2015 £	2014 £
<i>Current tax:</i>		
UK corporation tax based on the results for the year at 20.75% (2014 – 22.5%)	2,574,332	2,090,767
Adjustment to prior period	38,703	(16,923)
Total current tax	2,613,035	2,073,844
<i>Deferred tax:</i>		
Origination and reversal of timing differences:		
- current year	74,333	119,828
- prior year	-	15,510
Tax on profit on ordinary activities	2,687,368	2,209,182

# Holdingham Group Limited

## Notes forming part of the financial statements for the year ended 30 June 2015 (continued)

### 6 Taxation on profit from ordinary activities (continued)

#### b) Factors affecting current tax charge

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The differences are explained below:

	2015 £	2014 £
Profit on ordinary activities before tax	11,377,423	10,197,143
Profit on ordinary activities multiplied by effective rate of corporation tax in the UK of 20.75% (2014 – 22.5%)	2,360,815	2,294,497
Effect of:		
Expenses not deductible for tax purposes	154,945	120,758
Equity-settled share-based payments	300,875	225,061
Losses brought forward	(32,604)	-
Losses carried forward	101,390	133,352
Capital allowances for period in excess of depreciation	1,826	(13,280)
Other timing differences	(25,066)	(42,331)
Employee share deductions	(414,819)	(426,301)
Adjustment to tax charge in respect of previous periods	38,703	(16,923)
Double tax relief	-	(158,686)
Tax rate differences	126,970	(42,303)
Current tax for the year	2,613,035	2,073,844

### 7 Dividends

	2015 £	2014 £
<b>Equity dividends</b>		
Interim dividends paid of £2.96 per share (2014 - £2.66 per share)	1,269,130	1,384,753
Second interim dividend paid of £2.19 per share (2014 - £1.64 per share)	816,548	694,538
Third interim dividend paid of £1.81 per share (2014 - £nil per share)	677,720	-
	2,763,398	2,079,291

The directors proposed an interim dividend in July 2015 of £1.91 (2014 - £2.96) per share.

# Holdingham Group Limited

Notes forming part of the financial statements  
for the year ended 30 June 2015 (*continued*)

## 8 Tangible assets

Group	Long leasehold property £	Short leasehold property £	Office Equipment £	Furniture and fittings £	Computer Equipment £	Total £
<i>Cost of valuation</i>						
At 1 July 2014	5,498,045	1,068,112	205,078	378,115	878,733	8,028,083
Additions	-	31,345	22,891	1,409	139,156	194,801
Disposals	-	-	-	-	(825)	(825)
At 30 June 2015	<b>5,498,045</b>	<b>1,099,457</b>	<b>227,969</b>	<b>379,524</b>	<b>1,017,064</b>	<b>8,222,059</b>
<i>Depreciation</i>						
At 1 July 2014	-	220,259	130,424	199,257	683,342	1,233,282
Charge in the year	-	147,473	35,741	54,774	157,502	395,490
At 30 June 2015	-	<b>367,732</b>	<b>166,165</b>	<b>254,031</b>	<b>840,844</b>	<b>1,628,772</b>
<i>Net book value</i>						
At 30 June 2015	<b>5,498,045</b>	<b>731,725</b>	<b>61,804</b>	<b>125,493</b>	<b>176,220</b>	<b>6,593,287</b>
At 30 June 2014	5,498,045	847,853	74,654	178,858	195,391	6,794,801

# Holdingham Group Limited

Notes forming part of the financial statements  
for the year ended 30 June 2015 (*continued*)

## 8 Tangible assets (*continued*)

Company	Long leasehold property £	Short leasehold property £	Office Equipment £	Furniture and fittings £	Computer equipment £	Total £
<i>Cost of valuation</i>						
At 1 July 2014	5,498,045	738,968	153,802	269,404	772,160	7,432,379
Additions	-	31,345	22,891	1,409	139,156	194,801
Disposals	-	-	-	-	(825)	(825)
At 30 June 2015	<b>5,498,045</b>	<b>770,313</b>	<b>176,693</b>	<b>270,813</b>	<b>910,491</b>	<b>7,626,355</b>
<i>Depreciation</i>						
At 1 July 2014	-	123,996	110,576	157,595	653,976	1,046,143
Charge in the year	-	75,425	19,641	32,477	122,503	250,046
At 30 June 2015	-	<b>199,421</b>	<b>130,217</b>	<b>190,072</b>	<b>776,479</b>	<b>1,296,189</b>
<i>Net book value</i>						
At 30 June 2015	<b>5,498,045</b>	<b>570,892</b>	<b>46,476</b>	<b>80,741</b>	<b>134,012</b>	<b>6,330,166</b>
At 30 June 2014	5,498,045	614,972	43,226	111,809	118,184	6,386,236

## 9 Investments

Group	Unlisted investments £	Manuscripts and antiques £	Total £
<i>Cost</i>			
At 1 July 2014 and 30 June 2015	<b>82,190</b>	<b>75,297</b>	<b>157,487</b>
<i>Net book value</i>			
At 30 June 2015	82,150	75,297	157,847
At 30 June 2014	82,190	75,297	157,487

# Holdingham Group Limited

## Notes forming part of the financial statements for the year ended 30 June 2015 (*continued*)

### 9 Investments (*continued*)

Company	Shareholdings in group companies £	Unlisted investments £	Manuscripts and antiques £	Total £
Cost				
At 1 July 2014 and 30 June 2015	381,070	82,190	75,297	538,557
Net book value				
At 30 June 2015	381,070	82,190	75,297	538,557
At 30 June 2014	381,070	82,190	75,297	538,557

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.

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 2015.

### 10 Stocks

	Group 2015 £	Group 2014 £	Company 2015 £	Company 2014 £
Work in progress	105,863	105,862	71,417	71,417

### 11 Debtors

	Group 2015 £	Group 2014 £	Company 2015 £	Company 2014 £
Trade debtors	11,904,126	8,605,669	7,536,630	5,736,141
Amounts owed by group undertakings	-	-	2,721,999	3,746,009
S455 tax recoverable	-	225,000	-	225,000
Other debtors	694,988	324,589	101,509	1,998
Prepayments and accrued income	1,895,007	1,417,169	1,569,865	1,061,473
Deferred tax asset (note 14)	161,369	235,702	161,369	235,702
	14,655,490	10,808,129	12,091,372	11,006,323

# Holdingham Group Limited

## Notes forming part of the financial statements for the year ended 30 June 2015 (*continued*)

### 12 Creditors: amounts falling due within one year

	Group 2015 £	Group 2014 £	Company 2015 £	Company 2014 £
Trade creditors	890,060	1,109,907	801,557	1,044,746
Amounts owed to group undertakings	-	-	779,172	5,230
Corporation tax	1,506,323	1,276,524	754,317	1,147,109
Other taxes and social security costs	894,543	693,411	681,599	667,645
Other creditors	1,838,240	85,179	1,898,214	79,516
Accruals and deferred income	9,042,624	11,371,086	5,986,855	7,770,075
	<u>14,171,790</u>	<u>14,536,107</u>	<u>10,901,714</u>	<u>10,714,321</u>

### 13 Creditors: amounts falling due after more than one year

	Group Number	Group £	Company Number	Company £
<i>Preference share capital - authorised, issued and fully paid</i>				
10% £0.10 non-redeemable preference shares				
At 1 July 2014	94,060	9,406	94,060	9,406
Issued	100,000	10,000	100,000	10,000
<b>At 30 June 2015</b>	<u>194,060</u>	<u>19,406</u>	<u>194,060</u>	<u>19,406</u>

The 10% preference shares of £0.10 are non-redeemable. Shareholders are entitled to a dividend at 10p per annum 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 (£95 per share for shares issued in the year ended 30 June 2015) prior to any repayment to Ordinary shareholders. The holders of the preference shares have waived their right to receive the dividend.

On 31 December 2014, it was agreed that 100,000 Ordinary Shares of £0.10 be re-designated as 100,000 £0.10 Preference shares.

# Holdingham Group Limited

## Notes forming part of the financial statements for the year ended 30 June 2015 (continued)

### 14 Deferred tax

	Group 2015 £	Group 2014 £	Company 2015 £	Company 2014 £
The deferred tax included in the balance sheet is as follows:				
Provision for deferred tax	<u>(161,369)</u>	<u>(235,702)</u>	<u>(161,369)</u>	<u>(235,702)</u>
The movement in the deferred taxation account during the year was:				
Balance brought forward	(235,702)	(371,040)	(235,702)	(371,040)
Profit and loss account movement arising during prior year	-	15,510	-	15,510
Profit and loss account movement arising during the year	<u>74,333</u>	<u>119,828</u>	<u>74,333</u>	<u>119,828</u>
Balance carried forward	<u>(161,369)</u>	<u>(235,702)</u>	<u>(161,369)</u>	<u>(235,702)</u>

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

	Group 2015 £	Group 2014 £	Company 2015 £	Company 2014 £
Excess of taxation allowances over depreciation on fixed assets	115,180	100,992	115,180	100,992
Short term timing	<u>(276,549)</u>	<u>(336,694)</u>	<u>(276,549)</u>	<u>(336,694)</u>
	<u>(161,369)</u>	<u>(235,702)</u>	<u>(161,369)</u>	<u>(235,702)</u>

### 15 Pensions

The company contributes to various Personal Pension Plan including a group scheme. The pension cost charge represents contributions payable by the company to the Plans and amounted to £563,943 (2014 - £611,735). At 30 June 2015 pension contributions of £nil were outstanding (2014 - £282,383).

### 16 Share capital

	2015 Number	Allotted, called up and fully paid 2014 Number	2015 £	2014 £
Ordinary shares of £0.10 each	<u>495,000</u>	<u>595,000</u>	<u>49,500</u>	<u>59,500</u>

# Holdingham Group Limited

Notes forming part of the financial statements  
for the year ended 30 June 2015 (continued)

## 17 Share premium account

	2015 £	2014 £
Share premium account	<u>1,335,900</u>	<u>1,335,900</u>

## 18 Capital redemption reserve

	2015 £	2014 £
Capital redemption reserve	<u>19,700</u>	<u>19,700</u>

## 19 Revaluation reserve

	2015 £	2014 £
At 1 July 2014 and 30 June 2015	<u>2,651,440</u>	<u>2,651,440</u>

## 20 Profit and loss account

	Group 2015 £	Group 2014 £	Company 2015 £	Company 2014 £
Balance at 1 July 2014	28,446,285	22,412,626	28,077,414	20,632,658
Profit for the year	8,690,055	7,987,961	8,886,219	9,399,177
First interim dividend paid	(1,269,130)	(1,384,753)	(1,269,130)	(1,384,753)
Second interim dividend paid	(816,548)	(694,538)	(816,548)	(694,538)
Third interim dividend paid	(677,720)	-	(677,720)	-
Loss on sale of own shares - EBT	(1,519,537)	(1,225,220)	(1,519,537)	(875,339)
	<u>32,853,405</u>	<u>27,096,076</u>	<u>32,680,698</u>	<u>27,077,205</u>
Recognition of equity settled share based payments and contributions	<u>1,450,000</u>	<u>1,350,209</u>	<u>1,200,000</u>	<u>1,000,209</u>
Balance carried forward at 30 June 2015	<u>34,303,405</u>	<u>28,446,285</u>	<u>33,880,698</u>	<u>28,077,414</u>

# **Holdingham Group Limited**

**Notes forming part of the financial statements  
for the year ended 30 June 2015 (continued)**

## **21 Employee Benefit Trust (Group and Company)**

	2015 £	2014 £
Own shares - Employee Benefit Trust	<b>24,483,048</b>	17,198,434

The Employee Benefit Trust holds shares primarily for distribution to employees. During the year the Trust purchased 91,228 (2014 - 109,792) shares in the company and distributed 24,521 (2014 - 27,632) shares to employees. During the year Trust also converted 100,000 (2014 - nil) ordinary shares to preference shares. At 30 June 2015 the Trust held 127,858 ordinary shares of £0.10 each and 194,060 preference shares of £0.10 each (2014 - 161,151 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 Reconciliation of movements in shareholders' funds**

	Group 2015 £	Group 2014 £	Company 2015 £	Company 2014 £
Profit for the year	8,690,055	7,987,961	8,886,219	9,399,177
First interim dividend paid	(1,269,130)	(1,384,753)	(1,269,130)	(1,384,753)
Second interim dividend paid	(816,548)	(694,538)	(816,548)	(694,538)
Third interim dividend paid	(677,720)	-	(677,720)	-
Loss on sale of own shares – EBT	(1,519,537)	(1,225,220)	(1,519,537)	(875,339)
Recognition of equity settled share based payments and contributions	1,450,000	1,350,209	1,200,000	1,000,209
Reclassification of shares	(10,000)	-	(10,000)	-
	<b>5,847,120</b>	6,033,659	<b>5,793,284</b>	7,444,756
Movements on own shares - Employee Benefit Trust (below)	(7,284,614)	(7,234,496)	(7,284,614)	(7,234,496)
	<b>(1,437,494)</b>	(1,200,837)	<b>(1,491,330)</b>	210,260
Net addition to shareholders' funds	<b>15,314,391</b>	16,515,228	<b>14,945,520</b>	14,735,260
	<b>13,876,897</b>	15,314,391	<b>13,454,190</b>	14,945,520
Closing shareholders' funds	<b>13,876,897</b>	15,314,391	<b>13,454,190</b>	14,945,520

# Holdingham Group Limited

Notes forming part of the financial statements  
for the year ended 30 June 2015 (continued)

## 22 Reconciliation of movements in shareholders' funds (continued)

### Movement on own shares - Employee Benefit Trust

	Group 2015 £	Group 2014 £	Company 2015 £	Company 2014 £
Purchase of own shares	(8,868,141)	(9,003,091)	(8,868,141)	(9,003,091)
Sale of own shares	63,990	543,375	63,990	893,256
Loss on sale of own shares	1,519,537	1,225,220	1,519,537	875,339
Movement in year	(7,284,614)	(7,234,496)	(7,284,614)	(7,234,496)
Balance brought forward	(17,198,434)	(9,963,938)	(17,198,434)	(9,963,938)
Balance carried forward	(24,483,048)	(17,198,434)	(24,483,048)	(17,198,434)

## 23 Commitments under operating leases

As at 30 June 2015, the group and company had annual commitments under non-cancellable operating leases as set out below:

	Group Land and buildings 2015 £	Group Land and Buildings 2014 £	Company Land and Buildings 2015 £	Company Land and Buildings 2014 £
Operating leases which expire:				
In less than one year	657,369	707,137	571,000	571,000
Within one to two years	-	-	-	-
In two to five years	-	-	-	-
Over five years	235,950	212,475	24,000	24,000
	893,319	919,612	595,000	595,000

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.

## 24 Capital commitments

Amounts of £237,452 were contracted for but not provided in the financial statements at 30 June 2015 (2014 - £Nil).

# Holdingham Group Limited

## Notes forming part of the financial statements for the year ended 30 June 2015 (continued)

### 25 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 2015.

The remaining options outstanding under approved schemes at 30 June 2015 are shown below:

Number of shares 2015	Number of shares 2014	Option exercise price	Date granted	Option exercise period
-	4,266	£15.00	May 2007	April 2010 - April 2015
846	846	£26.00	November 2008	November 2011 - November 2016
268	3,168	£0.00	March 2010	March 2013 - March 2018
2,440	2,440	£0.00	August 2011	August 2014 - August 2019
<hr/>	<hr/>			
3,554	10,720			
<hr/>	<hr/>			

The remaining options outstanding under unapproved schemes at 30 June 2015 are shown below:

Number of shares 2015	Number of shares 2014	Option exercise price	Date granted	Option exercise period
10,666	10,666	£15.00 - £18.75	May 2007	May 2007 – April 2015
610	610	£32.80 - £41.00	December 2009	December 2012 - December 2017
2,036	2,646	£32.80 - £41.00	September 2010	September 2013 - September 2018
510	510	£39.20 - £49.00	November 2010	November 2013 - November 2018
510	510	£39.20 - £49.00	December 2010	December 2013 - December 2018
<hr/>	<hr/>			
14,332	14,942			
<hr/>	<hr/>			

The options granted in both the year to 30 June 2015 and 30 June 2014 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 forming part of the financial statements  
for the year ended 30 June 2015 (continued)

## 25 Equity settled share based payment transactions (continued)

Further details of the two share option plans are as follows.

	2015 Weighted average exercise price (pence)	2015 Number	2014 Weighted average exercise price (pence)	2014 Number
Outstanding at start of year	£15.30	25,662	£14.53	38,557
Granted	£0.00	11,572	£18.74	14,518
Forfeited	£12.04	1,662	£0.00	914
Exercised	£3.62	17,686	£16.59	26,499
Outstanding at end of year	£17.26	17,886	£15.30	25,662
Exercisable at end of year	£17.26	17,886	£16.91	23,222

The weighted average remaining contractual life of share options outstanding at 30 June 2015 was 3.0 years (2014 - 2.2 years).

## 26 Reconciliation of operating profit to net cash inflow from operating activities

	2015 £	2014 £
Operating profit	11,372,613	10,193,764
Depreciation	395,490	414,590
Decrease in work in progress	1	41,011
Increase in debtors	(3,921,695)	(1,065,747)
(Decrease)/Increase in creditors	(594,116)	1,849,921
Equity share based payments	1,450,000	1,350,209
Net cash inflow from operating activities	8,702,293	12,783,748

## 27 Reconciliation of net cash inflow to movement in net debt

	2015 £	2014 £
Decrease in cash	(5,437,659)	(156,225)
Change in net funds	(5,437,659)	(156,225)
Opening net funds	11,993,625	12,149,850
Closing net funds	6,555,966	11,993,625

# Holdingham Group Limited

Notes forming part of the financial statements  
for the year ended 30 June 2015 (*continued*)

## 28 Analysis of net debt

	At 1 July 2014 £	Cash flow £	At 30 June 2015 £
Cash in bank and in hand	11,993,625	(5,437,659)	6,555,966
Total	11,993,625	(5,437,659)	6,555,966

## 29 Ultimate controlling party

There is no ultimate controlling party. The ultimate parent company is Holdingham Group Limited.