

Company Registration Number 3776633

Old Broad Street Research Limited

Financial Statements

30th June 2006



CLB LITTLEJOHN FRAZER
Chartered Accountants

OLD BROAD STREET RESEARCH LIMITED

Financial Statements

Year ended 30th June 2006

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OLD BROAD STREET RESEARCH LIMITED

The Directors' Report

Year ended 30th June 2006

The Directors present their report and the Financial Statements of the Company for the year ended 30th June 2006.

Principal Activities

The principal activity of the company during the year was the provision of consultancy services and licensing of software to financial and professional bodies.

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, including family holdings, in the shares of the Company were as follows:

	Class of share	At 30 June 2006	At 1 July 2005
R B F Downs	'A' Ordinary shares	85,000	85,000
	Preference shares	10,000	10,000
P I Espenhahn	Preference shares	25,000	25,000
	'B' Ordinary shares	155,000	155,000
R P Romer-Lee	'A' Ordinary shares	52,500	52,500
	Preference shares	5,000	5,000
S R Stradling	Preference shares	17,500	17,500
	'B' Ordinary shares	<u>100,000</u>	<u>100,000</u>

R B F Downs has options to subscribe for 45,000 Ordinary shares and R P Romer-Lee has options to subscribe for 55,000 Ordinary shares.

Auditors

A resolution to re-appoint CLB Littlejohn Frazer as Auditors for the ensuing year will be proposed at the Annual General Meeting.

OLD BROAD STREET RESEARCH LIMITED

The Directors' Report *(continued)*

Year ended 30th June 2006

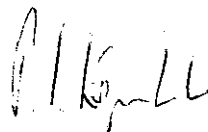
Small Company Provisions

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

Registered office:

1 Park Place
Canary Wharf
London
E14 4HJ

Signed on behalf of the Directors



P I Espenhahn
Director

Approved by the Directors on 28 September 2006

OLD BROAD STREET RESEARCH LIMITED

Statement of Directors' Responsibilities

Year ended 30th June 2006

Company law requires the Directors to prepare Financial Statements for each financial year which give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company 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; and
- 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the Financial Statements comply with the Companies Act 1985. The Directors 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.

OLD BROAD STREET RESEARCH LIMITED

Independent Auditors' Report to the Shareholders

Year ended 30th June 2006

We have audited the Financial Statements of Old Broad Street Research Limited for the year ended 30th June 2006 which comprise the Profit and Loss Account, the Balance Sheet, the Accounting policies and the related notes 1 to 17. These Financial Statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005), under the historical cost convention and the accounting policies set out therein.

This report is made solely to the Company's shareholders, as a body, in accordance with Section 235 of the Companies Act 1985. 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 auditors' 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 Auditors

As described in the Statement of Directors' Responsibilities, the Company's Directors are responsible for the preparation of the Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the Financial Statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the Financial Statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the Financial Statements, if the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Directors' remuneration and transactions with the Company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies within it. Our responsibilities do not extend to any other information.

Basis of Opinion

We conducted our audit in accordance with International Standards on auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the Financial Statements. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the Financial Statements, and of whether the Accounting Policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Financial Statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the Financial Statements.

OLD BROAD STREET RESEARCH LIMITED

Independent Auditors' Report to the Shareholders *(continued)*

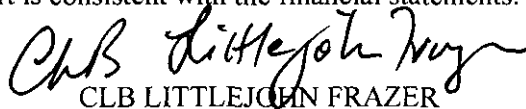
Year ended 30th June 2006

Opinion

In our opinion the Financial Statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Company's affairs as at 30th June 2006 and of its profit for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

In our opinion the information given in the Director' Report is consistent with the financial statements.

1 Park Place
Canary Wharf
London
E14 4HJ


CLB LITTLEJOHN FRAZER
Chartered Accountants
& Registered Auditors

28th September 2006

OLD BROAD STREET RESEARCH LIMITED

Notes to the Financial Statements

Year ended 30th June 2006

		2006 £	2005 £
Turnover		1,491,789	1,476,114
Cost of sales		1,024,578	880,528
Gross profit		467,211	595,586
Administrative expenses		352,303	306,149
Operating profit	2	114,908	289,437
Interest receivable		22,370	21,764
Interest payable and similar charges		(897)	-
Profit on ordinary activities before taxation		136,381	311,201
Tax on profit on ordinary activities	4	(27,377)	28,497
Profit on ordinary activities after taxation		109,004	339,698

The notes on pages 8 to 15 form part of these Financial Statements

OLD BROAD STREET RESEARCH LIMITED

Notes to the Financial Statements

Year ended 30th June 2006

		2006 £	2005 £
Fixed assets			
Tangible assets	6	547,960	37,619
Investments	7	1	1
		<u>547,961</u>	<u>37,620</u>
Current assets			
Debtors	8	309,908	335,458
Cash at bank		650,544	730,404
		<u>960,452</u>	<u>1,065,862</u>
Creditors: Amounts falling due within one year	10	<u>884,571</u>	<u>724,405</u>
Net current assets		<u>75,881</u>	<u>341,457</u>
Total assets less current liabilities		<u>623,842</u>	<u>379,077</u>
Creditors: Amounts falling due after more than one year	11	<u>141,511</u>	<u>-</u>
		<u>482,331</u>	<u>379,077</u>
Capital and reserves			
Called-up share capital	14	610,000	610,000
Share premium account	15	10,000	10,000
Profit and loss account	16	(137,669)	(240,923)
Shareholders' funds (including non-equity interests)		<u>482,331</u>	<u>379,077</u>

These Financial Statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective January 2005).

These Financial Statements were approved by the Directors on the 28 September 2006 and are signed on their behalf by:



R B F Downs

The notes on pages 8 to 15 form part of these Financial Statements.

OLD BROAD STREET RESEARCH LIMITED

Notes to the Financial Statements

Year ended 30th June 2006

1. Accounting policies

Basis of accounting

The Financial Statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005).

Consolidation

In the opinion of the Directors, the Company and its subsidiary undertakings comprise a small group. The Company has therefore taken advantage of the exemption provided by Section 248 of the Companies Act 1985 not to prepare group accounts.

Turnover

Income from services to subscribers and the sale of software and consultancy services is accrued throughout the period to which it relates (usually 12 months). Sales which have been invoiced and received in advance will be held as deferred income and taken to the profit and loss account on a straight line basis over the period of the contract.

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:

Plant & Machinery	- 3-5 years straight line
Fixtures & Fittings	- 3-5 years straight line
Software	- 5 years straight line

Finance lease agreements

Where the Company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated in accordance with the above depreciation policies. Future instalments under such leases, net of finance charges, are included with creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account on a straight line basis, and the capital element which reduces the outstanding obligation for future instalments.

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.

OLD BROAD STREET RESEARCH LIMITED

Notes to the Financial Statements

Year ended 30th June 2006

1. Accounting policies *(continued)*

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, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold;

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.

2. Operating profit

Operating profit is stated after charging:

	2006 £	2005 £
Depreciation of owned fixed assets	35,597	13,988
Depreciation of assets held under finance lease agreements	25,134	-
Auditors' fees	<u>7,020</u>	<u>5,450</u>

3. Directors' emoluments

The Directors' aggregate emoluments in respect of qualifying services were:

	2006 £	2005 £
Aggregate emoluments	<u>236,915</u>	<u>242,324</u>

OLD BROAD STREET RESEARCH LIMITED

Notes to the Financial Statements

Year ended 30th June 2006

4. Taxation on ordinary activities

	2006 £	2005 £
Current tax:		
In respect of the year:		
UK Corporation tax based on the results for the year at 19% (2005 - 12.77%)	-	2,761
Total current tax	-	2,761
Deferred tax:		
Origination and reversal of timing differences (note 9)		
Capital allowances	32,841	-
Losses	(5,464)	(31,258)
Tax on profit on ordinary activities	<u>27,377</u>	<u>(28,497)</u>

5. Dividends

The following dividends have been proposed in respect of the year:

	2006 £	2005 £
Proposed dividend on preference shares	<u>5,750</u>	<u>5,750</u>

Cumulative preference dividends have been provided, but will not become payable until the company has positive distributable reserves. Therefore the dividend provided in the year ended 30 June 2006 of £5,750 remains unpaid.

OLD BROAD STREET RESEARCH LIMITED

Notes to the Financial Statements

Year ended 30th June 2006

6. Tangible fixed assets

	Plant & Machinery £	Fixtures & Fittings £	Software £	Total £
Cost				
At 1 st July 2005	52,027	1,639	393,000	446,666
Additions	239,838	61,684	269,550	571,072
Disposals	-	(116)	-	(116)
At 30th June 2006	291,865	63,207	662,550	1,017,622
Depreciation				
At 1 st July 2005	21,262	1,385	386,400	409,047
Charge for the year	38,156	11,990	10,585	60,731
On disposals	-	(116)	-	(116)
At 30th June 2006	59,418	13,259	396,985	469,662
Net book value				
At 30th June 2006	232,447	49,948	265,565	547,960
At 30th June 2005	30,765	254	6,600	37,619

Finance lease agreements

Included within the net book value of £547,960 is £177,694 (2005 - £Nil) relating to assets held under finance lease agreements. The depreciation charged to the Financial Statements in the year in respect of such assets amounted to £25,134 (2005 - £Nil).

Capital commitments

	2006 £	2005 £
Contracted but not provided for in the Financial Statements	-	35,966

7. Investments

	OBSR Advisory Services Limited £
Cost	
At 1st July 2005 and 30th June 2006	1
Net book value	
At 30th June 2006	1
At 30th June 2005	1

OLD BROAD STREET RESEARCH LIMITED

Notes to the Financial Statements

Year ended 30th June 2006

7. Investments (continued)

The Company owns 100% of the issued share capital of OBSR Advisory Services Limited, a company incorporated in the United Kingdom and which was dormant throughout the year. The aggregate capital and reserves of the company is £1.

8. Debtors

	2006 £	2005 £
Trade debtors	293,949	281,048
Other debtors	2,880	17,409
Prepayments and accrued income	9,198	5,743
Deferred taxation (note 9)	3,881	31,258
	<u>309,908</u>	<u>335,458</u>

9. Deferred taxation

The deferred tax included in the Balance sheet is as follows:

	2006 £	2005 £
Included in debtors (note 8)	<u>3,881</u>	<u>31,258</u>

The movement in the deferred taxation account during the year was:

	2006 £	2005 £
Balance brought forward	31,258	-
Profit and loss account movement arising during the year	(27,377)	31,258
Balance carried forward	<u>3,881</u>	<u>31,258</u>

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

	2006 £	2005 £
Excess of taxation allowances over depreciation	(32,841)	-
Tax losses available	36,722	31,258
	<u>3,881</u>	<u>31,258</u>

OLD BROAD STREET RESEARCH LIMITED

Notes to the Financial Statements

Year ended 30th June 2006

10. Creditors: Amounts falling due within one year

	2006 £	2005 £
Bank overdraft	18,827	-
Trade creditors	79,766	13,957
Loan	24,333	-
Corporation tax	-	2,761
PAYE and social security	28,258	24,240
VAT	20,484	35,218
Finance lease agreements	62,814	-
Other creditors	51	1
Accruals and deferred income	650,038	648,228
	<u>884,571</u>	<u>724,405</u>

The bank overdraft and loans are secured by a fixed and floating charge over the Company's assets.

The loan is secured by a fixed charge over the Company's assets.

The loan due within, and after more than one year is repayable by quarterly instalments with interest charged at 3.69% per annum.

Included within accruals is £40,238 (2005 - £34,490) relating to cumulative preference dividends, which will not become payable until the Company has positive distributable reserves. Also included within accruals is £469,011 (2005 - £490,784) relating to deferred income.

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

	2006 £	2005 £
Loan	36,500	-
Finance lease agreements	105,011	-
	<u>141,511</u>	<u>-</u>

OLD BROAD STREET RESEARCH LIMITED

Notes to the Financial Statements

Year ended 30th June 2006

12. Commitments under operating leases

At 30th June 2006 the Company had aggregate annual commitments under non-cancellable operating leases as set out below.

	2006 £	2005 £
Operating leases which expire:		
Within 1 year	-	9,936
Within 2 to 5 years	44,631	-
After more than 5 years	-	34,695
	<u>44,631</u>	<u>44,631</u>

13. Related party transactions

During the year the Company made sales of £560,373 to Forsyth OBSR Limited, of which R P Romer-Lee and R B F Downs are directors and representatives of the Company. At the year end £58,750 was owing by Forsyth OBSR Limited.

14. Share capital

Authorised share capital:

	2006 £	2005 £
280,000 'A' Ordinary shares of £1 each	280,000	280,000
340,000 'B' Ordinary shares of £1 each	340,000	340,000
115,000 Preference shares of £1 each	115,000	115,000
	<u>735,000</u>	<u>735,000</u>

Allotted, called up and fully paid:

	2006		2005	
	No	£	No	£
'A' Ordinary shares of £1 each	155,000	155,000	155,000	155,000
'B' Ordinary shares of £1 each	340,000	340,000	340,000	340,000
Preference shares of £1 each	115,000	115,000	115,000	115,000
	<u>610,000</u>	<u>610,000</u>	<u>610,000</u>	<u>610,000</u>

OLD BROAD STREET RESEARCH LIMITED

Notes to the Financial Statements

Year ended 30th June 2006

14. Share capital *(continued)*

Dividends are determined solely at the Directors' discretion. Any profits set aside as distributable are applied as dividends in the following order of priority:

- Cumulative Preference Shares at 5%
- 'A' Ordinary Shares and 'B' Ordinary Shares ranking equally

The general voting rights allow only the 'A' Ordinary and 'B' Ordinary Shareholders to vote. However, as dividends have not been paid on the Preference Shares and as these shares were not redeemed by 30 September 2004, the holders of the Preference Shares also have a vote.

On winding up, the rights to capital are in the following order:

- Preference Shareholders are entitled to £1 per share and all unpaid arrears and accruals of dividends.
- 'A' and 'B' Ordinary Shareholders are entitled to the par value of shares together with any arrears of dividends.
- Thereafter any balance is shared equally amongst the holders of the remaining 'A' and 'B' Ordinary Shares

Options to subscribe for a total 105,000 Ordinary Shares are outstanding of which 55,000 have an exercise price of £1.25 and an earliest date of exercise of 2 January 2009, and 50,000 have an exercise price of £1.50 and an earliest date of exercise of 8 July 2010, subject to certain conditions being met.

15. Share premium account

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

16. Profit and loss account

	2006 £	2005 £
Balance brought forward	(240,923)	(574,871)
Retained profit for the financial year	109,004	339,698
Dividends	(5,750)	(5,750)
Balance carried forward	<u>(137,669)</u>	<u>(240,923)</u>

17. Ultimate controlling party

In the Directors' opinion there is no ultimate controlling party.