

Company No 3875826

31 December 2011

# Hawkpoint Holdings Limited

## Directors' Report and Financial Statements

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## Directors' Report

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The Directors present their report and the audited financial statements for the year ended 31 December 2011

### Principal activity

The principal activity of the Company is acting as the holding company of its wholly-owned subsidiary, Canaccord Genuity Hawkpoint Limited (formerly Hawkpoint Partners Limited)

The focus of Canaccord Genuity Hawkpoint Limited's activities is to provide corporate finance, restructuring and debt advice to Financial Institutions and to the Corporate and Private Equity communities

### Ultimate parent company

The Company is a wholly-owned subsidiary of Canaccord Genuity Limited (formerly Collins Stewart Europe Limited) and the ultimate parent Company is Canaccord Financial Inc

### Results and dividends

The results for the year are set out in the profit and loss account on page 9. There were £8.0 million of dividends paid during the year (2010: £nil)

### Review of business

Against the backdrop of volatile equity markets and a fragile M&A market, the Canaccord Genuity Hawkpoint Limited ("Hawkpoint") achieved steady progress in 2011 with revenues increasing to £41.3m (2010: £39.1m), a 6% increase over the previous year. This can be attributed to the breadth of its advisory capabilities from debt and restructuring advice to M&A.

Hawkpoint advised on some 44 announced transactions in 2011. Disposal activity continued to be important, with examples included advising in the UK on the disposal by Bank of America Merrill Lynch Capital Partners of Integrated Dental Holdings, by Exponent of Lowell, the debt purchase group, and on the offer for Hamworthy by Finish group, Wartsila. In France, Hawkpoint advised on the sale of Converteam to GE for €2.5bn and of Spie to Clayton Dubilier & Rice and Axa Private Equity for €2.1bn.

Hawkpoint also deployed its combined financial services and restructuring capabilities to good effect. In Ireland, it advised IBRC on the transfer of €7.1bn corporate and retail deposits in the UK and Ireland, its €12bn NAMA note portfolio and its Isle of Man subsidiary to Allied Irish Banks. It also advised Bank of Ireland in relation to the disposal and valuation of two loan portfolios, each in excess of £1bn, and on the sale of Burdale, its asset leasing business, to Wells Fargo.

In equity capital markets, Hawkpoint acted as independent financial adviser to the Austrian Oil & Gas group, OMV, on a €725m rights issue and raising a further €3bn through senior and hybrid bond issues and new syndicated facilities. It also advised Secure Trust Bank on its IPO alongside Corporate Broking.

For commercial reasons the French business has been transferred from the Branch to a separate legal entity on 1 November 2011.

The skills and extensive experience of its senior staff and their relationships with clients have been key factors in the Company's continuing success.

### Going concern

The Directors believe that the Company is well placed to manage its business risks successfully and has access to adequate resources to continue in operational existence for the foreseeable future having regard to the financial position of the broader Group. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

## Directors' Report (continued)

### Key risks affecting the business

The key risks which the Company faces in its day-to-day operations relate to the activities and status of its wholly-owned subsidiary Canaccord Genuity Hawkpoint Limited and can broadly be categorised as credit, economic, liquidity, operational and reputational risk. The governance structure for risk management is described in the Collins Stewart Hawkpoint Limited under Corporate Governance.

#### *Credit Risk*

The Company's principal risk assets are cash and trade debtors.

The Company's credit risk is primarily attributable to the trade receivables of Canaccord Genuity Hawkpoint Limited. The amounts represented in the balance sheet of Canaccord Genuity Hawkpoint Limited are net of allowances for doubtful receivables, estimated by the management of Canaccord Genuity Hawkpoint Limited based on prior experience and their assessment of the current economic environment.

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

#### *Economic Risk*

Adverse economic, equity and debt market conditions can have a negative effect upon corporate finance deal flows, can extend transaction origination and execution timetables and can create greater uncertainty of outcome than applies in more favourable conditions. Canaccord Genuity Hawkpoint Limited's revenues can be affected in such circumstances. It is also the case, however, that such conditions create other types of advisory opportunities such as restructuring or debt advisory mandates.

#### *Liquidity Risk*

The assets of the Company are highly liquid and therefore the Company is not significantly exposed to liquidity risk.

#### *Operational Risk*

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people, systems or external events of the Company or of Canaccord Genuity Hawkpoint Limited. The overall objective of the Company's operational risk management approach, and that of Canaccord Genuity Hawkpoint Limited, is not to attempt to avoid all potential risks, but proactively to identify and assess risks and risk situations in order to manage them in an efficient and informed manner, always recognising the cost relative to the benefit. This approach enables the Company to exploit existing opportunities, increase business, and protect and enhance shareholder value.

#### *Reputational Risk*

Reputational risk is the risk that Canaccord Genuity Hawkpoint Limited's ability to do business will be damaged as a result of its reputation being tarnished. Clients rely on its integrity and professionalism. Canaccord Genuity Hawkpoint Limited has policies and procedures in place to manage this risk which include, inter alia, procedures for hiring employees and the taking on of new clients and business, and conduct of business rules.

## Directors' Report (continued)

### Share capital

There were no changes in the Company's share capital during the year

### Directors

The Directors who held office during the year and to date, were as follows

- ♦ PM Baines
- ♦ MF Brown
- ♦ J Cotter (resigned 22 March 2012)
- ♦ B Kotush (appointed 22 March 2012)
- ♦ P Reynolds (appointed 22 March 2012)

### Suppliers

The Company's policy is to settle terms of payment with suppliers when agreeing the terms of each transaction, to ensure that suppliers are made aware of the terms of payment and to abide by the terms of payment. The suppliers are paid within 31 days of receipt of the invoice.

### Political and charitable donations

During the year, no political or charitable donations were made by the Company (2010: £nil).

### Events since the balance sheet date

On 21 March 2012, the entire issued and to be issued share capital of the Company's immediate and ultimate parent, Collins Stewart Hawkpoint Limited (formerly Collins Stewart Hawkpoint plc) was acquired by Canaccord Financial Inc. On 23 March 2012, pursuant to the reorganisation of the Group, the ownership of Hawkpoint Holdings Limited was transferred from Collins Stewart Hawkpoint Limited (formerly Collins Stewart Hawkpoint plc) to Canaccord Genuity Limited (formerly Collins Stewart Europe Limited). There have not been any other material events since the balance sheet date.

### Resolutions

The Company has passed elective resolutions to dispense with the holding of an Annual General Meeting and laying of the report and accounts before the members.

### Auditor

Each of the persons who is a Director, at the date of approval of this report confirms that

- ♦ so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- ♦ the Director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

## Directors' Report (continued)

### Auditor (continued)

The auditor, Deloitte LLP, has indicated its intention to resign as auditor with immediate effect and has confirmed that there are no circumstances connected with their resignation that they consider should be brought to the attention of the members or creditors of the Company. The directors intend to appoint Ernst & Young LLP, who are auditors to the Canaccord group, as auditor to the Company and a resolution to appoint Ernst & Young LLP as the Company's auditor will be proposed at the forthcoming AGM.

By order of the Board



Paul Barnes  
Director  
41 Lothbury  
London  
EC2R 7AE

27 April 2012

## Directors' responsibilities statement

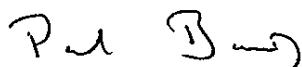
The Directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under Company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing those 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, 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 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.

By order of the Board



Paul Baines  
Director  
41 Lothbury  
London  
EC2R 7AE

27 April 2012

## **Independent auditor's report**

### **To the members of Hawkpoint Holdings Limited**

We have audited the financial statements of Hawkpoint Holdings Limited for the year ended 31 December 2011 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes 1 to 18. 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 auditor**

As explained more fully in the Directors' Responsibilities Statement, 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 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 annual 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 Company's affairs as at 31 December 2011 and of its 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.

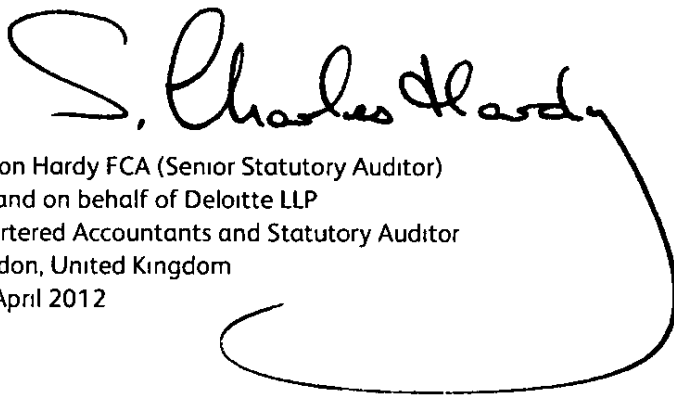


## Independent auditor's report (continued)

### 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, or returns adequate for our audit have not been received from branches not visited by us, or
- ◆ the 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

A large, stylized handwritten signature in black ink that reads "S. Charles Hardy". The signature is written in a cursive, flowing style. A long, sweeping underline extends from the bottom of the signature, curving around the text block below it.

Simon Hardy FCA (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditor  
London, United Kingdom  
27 April 2012

## Profit and loss account

For the year ended 31 December 2011

	note	2011 £000	2010 £000
Income from group undertaking		8,000	-
Administrative expenses		(34)	(46)
<b>Profit / (loss) before interest and tax</b>		<b>7,966</b>	<b>(46)</b>
Interest receivable and similar income	4	12	23
<b>Profit / (loss) on ordinary activities before taxation</b>		<b>7,978</b>	<b>(23)</b>
Taxation charge on profit / (loss) on ordinary activities	5	(2)	(1)
<b>Profit/ (loss) for the financial year</b>		<b>7,979</b>	<b>(24)</b>

All income was derived from continuing operations in the current and prior year. A statement of movements in shareholders' funds is given in note 14.

## Statement of total recognised gains and losses

For the year ended 31 December 2011

	note	2011 £000	2010 £000
Profit / (loss) for the year		7,976	(24)
Revaluation gain / (loss) on vested shares	14	68	(88)
<b>Total recognised gains / (losses) relating to the year</b>		<b>8,044</b>	<b>(112)</b>

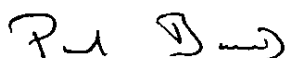
A statement of movements in shareholders' funds is given in note 14

## Balance sheet

As at 31 December 2011

	note	2011 £000	2010 £000
<b>Fixed assets</b>			
Investments	7	8,586	7,937
<b>Current assets</b>			
Investments	8	226	871
Debtors	9	2,248	2,292
Cash at bank and in hand		750	842
		<u>3,224</u>	<u>4,005</u>
<b>Creditors Amounts falling due within one year</b>	10	(170)	(442)
<b>Net current assets</b>		<u>3,054</u>	<u>3,563</u>
<b>Total assets less current liabilities</b>		<u>11,640</u>	<u>11,500</u>
<b>Creditors amounts falling due after more than one year</b>	11	(106)	(10)
<b>Net assets</b>		<u>11,534</u>	<u>11,490</u>
<b>Capital and Reserves</b>			
Called up share capital	12,14	706	706
Share premium	14	3,329	3,329
Capital redemption reserve	14	22	22
Other reserves	14	8,305	8,237
Profit and loss account	14	(828)	(804)
<b>Total shareholders' funds</b>	14	<u>11,534</u>	<u>11,490</u>

These financial statements of Hawkpoint Holdings Limited (registered number 3875826) were approved by the Board of Directors and authorised for issue on 27 April 2012 and are signed on its behalf by



Paul Baines

Director

27 April 2012

## Notes to the financial statements

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### 1 Principal accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements

#### *Basis of accounting*

The financial statements have been prepared under the historical cost convention and in accordance with section 400 of, and Schedule 4 to, the Companies Act 2006. The financial statements have been prepared in accordance with applicable United Kingdom accounting standards. They have also been prepared on a going concern basis. This is discussed in the Directors' Report on page 2 under the heading "Going Concern". The financial statements contain information about Hawkpoint Holdings Limited as an individual Company and do not contain consolidated financial information as a parent of a group. The Company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included in full consolidation in the consolidated financial statements of its ultimate parent Collins Stewart Hawkpoint Limited (see note 17).

#### *Cash flow statement*

The Company is a wholly-owned subsidiary of a parent undertaking which prepares consolidated financial statements including a consolidated cash flow statement. It is therefore exempt under the FRS 1 (revised) from preparing its own cash flow statement.

#### *Investments*

Investments in subsidiary undertakings are stated at cost less provision for any impairment in value. Current asset investments are included at historical cost.

#### *Foreign currency*

Transactions denominated in foreign currencies are recorded in the local currency at actual exchange rates as of the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the year-end are reported at the rates of exchange prevailing at the year-end. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss in the profit and loss account.

#### *Current tax*

Current tax, including UK corporation tax and foreign tax, is provided at the amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

## Notes to the financial statements

### *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 that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets are not discounted.

### *Employee Benefit Trust*

In accordance with UITF 38, the Company has aggregated The Damascus II Offshore Trust (the EBT) into its solus financial statements. The net assets of the EBT originate from trading in shares of Collins Stewart Hawkpoint Limited under the Hawkpoint group employee share acquisition and option schemes. As such the net assets of the EBT have been brought into the balance sheet of the Company with a corresponding credit recognised directly in equity within reserves.

### *Share-based payment*

The Company has adopted revised FRS 20 (August 2009) 'Share-Based Payment' ("FRS 20"). FRS 20 has been amended to change the definition of a cash settled Share Based Payment ("SBP") transaction. The standard has been amended to state that where there is a cash settled SBP transaction, then the Company should re-measure its SBP liability every accounting period.

## **2 Operating profit / (loss)**

Audit fees in relation to the audit of the company's annual accounts have been borne by another group company and amount to £5,000 (2010: £5,000).

## **3 Directors' emoluments**

The Company had no employees during the year under review or the preceding financial period.

No emoluments were payable to the Directors of the Company for their services to the Company during the year under review or the preceding financial period.

## Notes to the financial statements

### 4 Interest receivable and similar income

	2011 £000	2010 £000
Interest receivable and other income	12	23

### 5 Taxation charge

	2011 £000	2010 £000
Current tax		
UK Corporation tax charged at 26.5 % (2010 28 %) on taxable profits for the year	-	-
UK Income tax	2	1
	2	1

The UK income tax relates to the income tax due in respect of UK source income arising in The Damascus II Offshore Trust

Tax Reconciliation	2011 £000	2010 £000
Profit / (loss) on ordinary activities before tax	7,978	(23)
Profit / (loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 26.5 % (2010 28 %)	2,114	(6)
Effects of		
Expenses not deductible for tax purposes	9	12
Non taxable UK dividend income	(2,120)	-
Non taxable foreign income	(1)	(5)
Tax charge for year	2	1

## Notes to the financial statements

### 6 Dividends

	2011 £000	2010 £000
Equity – Ordinary		
Interim dividends paid		
£11.33 (2010: £nil) per £1.00 share	8,000	-

### 7 Fixed asset investments

	2011 £000	2010 £000
Shares in group undertakings		
Cost at 1 January	7,937	7,164
Addition during the year	649	773
Cost at 31 December	8,586	7,937

The addition during the year represents a payment made or to be made by the employee benefit trust (The Damascus II Offshore Trust) for the employees of Canaccord Genuity Hawkpoint Limited (formerly Hawkpoint Partners Limited) in relation to the option scheme (see note 13) and cash awards.

### Subsidiaries

Name	Principal activity	% of equity and votes held
Canaccord Genuity Hawkpoint Limited	Corporate finance advice	100

The above company was registered in England and Wales.

The Damascus II Offshore Trust is an employee benefit trust and has been aggregated in these accounts. The total assets and liabilities of the trust at 31 December 2011 amounted to £1.0 million (2010: £1.8 million) and £0.3 million (2010: £0.4 million) respectively.



## Notes to the financial statements

### 8 Current asset investments

	2011 £000	2010 £000
Shares in parent undertakings		
Cost at 31 December	226	871

The investments consist of a holding of 230,000 (2010 627,273) ordinary shares in Collins Stewart Hawkpoint Limited held by The Damascus II Offshore Trust ("the EBT") These shares are recorded at cost which represents the market value on the date the entity became entitled to the shares

### 9 Debtors

	2011 £000	2010 £000
Other debtors	18	62
Due from subsidiary undertaking	2,230	2,230
	2,248	2,292

## Notes to the financial statements

### 10 Creditors

#### Amounts falling due within one year

	2011 £000	2010 £000
Other creditors	148	176
Corporation tax	2	-
Liability under share-based payment	20	266
	<u>170</u>	<u>442</u>

### 11 Creditors

#### Amounts falling due after more than one year

	2011 £000	2010 £000
Liability under share-based payment	52	10
Other creditors	54	-
	<u>106</u>	<u>10</u>

### 12 Share capital

	2011 Number	2011 £000	2010 Number	2010 £000
<b>Authorised</b>				
Ordinary shares of £1 each	941,999	<u>942</u>	941,999	<u>942</u>
<b>Share capital allotted, called up and fully paid</b>				
Ordinary shares of £1 each	706,006	<u>706</u>	706,006	<u>706</u>

## Notes to the financial statements

### 13 Share-based payments

#### The Damascus II Offshore Trust (the EBT)

The EBT was established in December 1999 for the benefit of those employed in the business of the Hawkpoint Holdings Limited group companies. Its trustee is The Law Debenture Trust Corporation (Channel Islands) Limited. An Advisory Committee exists to make recommendations to the trustee.

The Company has a number of share incentive plans for granting of non-transferable options to certain employees, directors and consultants. Options granted under the plans vest on the first day on which they become exercisable, which is typically over three years from the grant date. The options are over shares in Canaccord Financial Inc. (up to 21 March 2012 the options were over Collins Stewart Hawkpoint Limited shares) the Company's ultimate parent. These options are settled in equity once exercised.

The following table summarises the share option schemes that existed during 2010 and 2011.

	2011	2010
<b>Hawkpoint Holdings Share Option Plan</b>		
Number of shares over option	230,000	410,391
Fixed share options (cash equivalent in shares)	£nil	£8,270

## Notes to the financial statements

### 13 Share-based payments (continued)

Details of the share options outstanding during the year are as follows

Hawkpoint Holdings Share Option Plan

	2011	2010
<b>Share options</b>		
Weighted average share price at date of grant	£1.08	£0.73
Number of shares		
Outstanding at the beginning of the period	410,391	882,357
Granted during the period	300,000	-
Forfeited during the period	-	(59,731)
Exercised during the period	(480,391)	(412,235)
Outstanding at the end of the period	230,000	410,391
<b>Fixed share options (cash equivalent in shares)</b>		
Outstanding at the beginning of the period	£8,270	£125,732
Exercised during the period	(£8,270)	(£117,462)
Outstanding at the end of the period	-	£8,270

The options vest over three years on different dates

## Notes to the financial statements

### 13 Share-based payments (continued)

The estimated fair value of each option granted was calculated by applying a Black Scholes or Monte Carlo option pricing model. The model inputs were the share price at the grant date, exercise price, expected volatility, expected dividends, expected life of the option until exercise and a risk-free interest rate based on government securities with a similar maturity profile.

	2011	2010
Share price at the grant date	82p	73p
Exercise price	Nil	Nil
Expected volatility	41 %	49.8-95.5 %
Expected life (years)	3	3
Risk free rate	1.3 %	3.7 % - 4.7 %
Expected dividend yield	3.5 %	4.7 %
Likelihood of ceasing employment before vesting	Nil	Nil
Proportion meeting performance criteria	100 %	100 %

A share-based payment expense is recognised over the vesting period of the awards in the accounts of Canaccord Genuity Hawkpoint Limited (the Company's subsidiary undertaking) which will receive services from the individuals. The Company does not incur a share-based payment charge. Since the Company's obligation will not be met by delivering its own equity instruments, but is covered by assets of the EBT which are aggregated into these accounts, the scheme is accounted for as a cash-settled share-based payment scheme and a provision is recorded to reflect the vesting of the awards in future years.

## Notes to the financial statements

### 14 Movements in shareholders' funds

Company	Called up share capital	Share premium	Capital redemption reserve	Other reserves	Profit and loss account	Total reserves
	£000	£000	£000	£000	£000	£000
As at 1 January 2011	706	3,329	22	8,237	(804)	11,490
Revaluation gain on vested shares	-	-	-	68	-	68
Dividend paid	-	-	-	-	(8,000)	(8,000)
Profit for the year	-	-	-	-	7,976	7,976
As at 31 December 2011	706	3,329	22	8,305	(828)	11,534

The movement in other reserves represents the profit of The Damascus II Offshore Trust in relation to the re-measurement of shares vested during the year

### 15 Financial commitments and contingencies

At 31 December 2011 the Company had annual commitments under non-cancellable operating leases expiring as follows

	2011 £ 000	2010 £ 000
Within one year	253	1,377
Within two to five years	6,677	5,883
After five years	6,513	7,441
	13,443	14,701

#### Group VAT registration

The Company is registered with HM Revenue & Customs as a member of a group for VAT purposes and, as a result, is jointly and severally liable on a continuing basis for amounts owed by other members of the Group in respect of unpaid VAT

## Notes to the financial statements

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### 16 Related party transactions

The Company has taken advantage of the exemption under FRS 8 as the Company is a wholly-owned subsidiary of the Parent Company, Related Party Disclosures, not to disclose related party transactions between the Group Companies

### 17 Ultimate parent company and controlling party

During 2011, the Company's immediate and ultimate controlling party was Collins Stewart Hawkpoint Limited (formerly Collins Stewart Hawkpoint plc), a company registered in England and Wales and for which the group financial statements are drawn up. Copies of the financial statements are available from the Companies House

With effect from 21 March 2012, the date on which the Scheme of Arrangement became effective, the ultimate parent Company and controlling party of the Company is Canaccord Financial Inc., a public corporation incorporated under the laws of the Province of British Columbia, Canada, with its registered office at Suite 1000-840 Howe Street, Vancouver, British Columbia, Canada V6Z 2M1. With effect from 23 March 2012, the Company's immediate Parent Company is Canaccord Genuity Limited (formerly Collins Stewart Europe Limited)

### 18 Post balance sheet event

There has not been any other material events since the balance sheet date except that disclosed on page 4 in the Directors' report