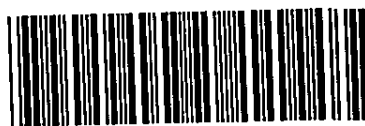


Company Registration No. 4752535 (England and Wales)

**CAPITAL ACCUMULATION LIMITED**  
**ANNUAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2010**

THURSDAY



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# CAPITAL ACCUMULATION LIMITED

## DIRECTORS AND ADVISERS

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### Directors

T Carruthers  
J Gunn (Appointed 19 January 2010)  
P Dicks (Appointed 19 January 2010)  
N Brngstocke  
M Horrocks

### Secretary

P Burniston

### Company number

4752535

### Registered office

Standon House  
21 Mansell Street  
London  
E1 8AA

### Registered auditors

RSM Tenon Audit Limited  
66 Wigmore Street  
London  
W1U 2SB

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# **CAPITAL ACCUMULATION LIMITED**

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# **CAPITAL ACCUMULATION LIMITED**

## **DIRECTORS' REPORT**

### **FOR THE YEAR ENDED 30 JUNE 2010**

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The directors present their report and financial statements for the year ended 30 June 2010

#### **Principal activities and review of the business**

The principal activity of the company is a holding company for web based financial services and personal finance magazine publishing businesses

As such, the company has undertaken to provide additional capital to its wholly owned subsidiaries to fund their operations going forward. It has also undertaken to underwrite the costs of services incurred by its wholly owned subsidiaries in the conduct of their business.

The Group's strategy of cultivating diversified revenue streams has enabled the group to continue to grow in difficult market conditions, generating over 16% growth in revenues to £10.9m (£9.4m in the previous year). This growth is starting to demonstrate the economies of scale in the business model with EBITDA growing by 61% to £1.4m from £830,000, and Operating Profit improving to £910,000 compared to £303,000 in the previous year, up 200%. The rights issue and debt refinancing undertaken in the middle of the year significantly reduced the company's interest charges, down from £1m in the previous year to £305,000 in this year.

The Directors are pleased to report that the improved operating performance and the significantly reduced interest charges have contributed to the group earning its first retained profit in its history, at £585,000 up from a loss in the previous year of £714,000.

Brokerage revenues continued to show strong growth at 25% overall with cash equity retail trade revenues up 35% following on from 157% growth in the previous year. Advertising revenues returned to growth after suffering during the financial crisis with online advertising up 18% year on year. Offline revenues for the print titles to end of June 2010 were down 17% year on year in line with the market decline in print media. The print titles are managed to generate cash, whilst continuing to develop their online properties which we expect will ultimately grow revenues in excess of the print titles. This online strategy is starting to bear fruit as online advertising in relation to the print brands grew 62% in the year.

Growth in Brokerage revenues will be limited overall this year as we switch our Derivatives platform partner, and move to lower commission rates than previously enjoyed, albeit higher than if we were to remain with the existing provider. The Company is planning to benefit further from its growth in Broking volumes, which the Board believes could further significantly accelerate revenue growth and profit contribution. In order to facilitate this opportunity, the Company has entered into negotiations with potential investors to raise further equity capital in order to pay down remaining debt and fund the required development.

During the financial year, the company completed a Rights Issue and Debt Restructuring raising £1.66m in further ordinary share capital, paid down its debt by £2.25m in cash and converted £2.45m of debt into ordinary share capital, leaving a debt position of £1.1m (excluding preference share capital). Of this debt, £1m was provided under a new loan agreement which is repayable over two years. The Directors are pleased to report that since the debt restructuring the Company is servicing its reduced debt in accordance with the terms of the new loan agreement, including both interest and principal repayments and as at the balance sheet date debt stood at £820,000 and as at the date of this report had reduced further to £695,000.

# **CAPITAL ACCUMULATION LIMITED**

## **DIRECTORS' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 30 JUNE 2010**

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### **Principal activities and review of the business (Continued)**

The Board believes that the Company's revenue will continue to grow, and expects this growth to drive further improvements in profitability as the group benefits from operating leverage. The debt restructuring effected in December 2009 will reduce interest charges substantially, further improving prospects for Profit Before Tax growth.

The Board is confident, given the continued improvement in operational results and the successful rights issue and debt restructuring that the company will have adequate working capital going forward.

### **Results and dividends**

The consolidated profit and loss account for the year is set out on page 6.

### **Directors**

The following directors have held office since 1 July 2009

T Carruthers	
L Gabont	(Resigned 30 December 2009)
J Gunn	(Appointed 19 January 2010)
P Dicks	(Appointed 19 January 2010)
N Brigstocke	
M Horrocks	

### **Financial instruments**

The group's principal financial instruments comprise its loan, convertible loan note and preference shares.

The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial instruments such as trade debtors and trade creditors that arise directly from its operations.

The Group does not enter into derivative transactions. It was the Group's policy throughout the year under review, and remains so, that no trading in financial instruments shall be undertaken.

The main risks arising from the Group's financial instruments are interest and liquidity risk. The Board monitors these risks and the position in relation to liquidity is more fully explained above.

# CAPITAL ACCUMULATION LIMITED

## DIRECTORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 30 JUNE 2010**

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### Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

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

- select suitable accounting policies and then apply them consistently,
- make 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 group 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 the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the group's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the group's auditors are aware of that information.

On behalf of the board



T Carruthers

Director

29th November, 2010

# **CAPITAL ACCUMULATION LIMITED**

## **INDEPENDENT AUDITORS' REPORT**

### **TO THE MEMBERS OF CAPITAL ACCUMULATION LIMITED**

---

We have audited the group and parent company financial statements (the "financial statements") of Capital Accumulation Limited for the year ended 30 June 2010 set out on pages 6 to 25. 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 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 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 Directors' Responsibilities Statement set out on pages 1 - 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the group's and the 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.

#### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the group's and parent company's affairs as at 30 June 2010 and of the group's profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

# **CAPITAL ACCUMULATION LIMITED**

## **INDEPENDENT AUDITORS' REPORT (CONTINUED)**

### **TO THE MEMBERS OF CAPITAL ACCUMULATION LIMITED**

---

#### **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



**Ian Hughes (Senior Statutory Auditor)**  
**for and on behalf of RSM Tenon Audit Limited**

**30 NOVEMBER 2010**

**Statutory Auditor**

66 Wigmore Street  
London  
W1U 2SB



# CAPITAL ACCUMULATION LIMITED

## CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 JUNE 2010

	Notes	2010 £	2009 £
Turnover	2	10,933,882	9,403,725
Cost of sales		(3,165,170)	(2,858,096)
<b>Gross profit</b>		7,768,712	6,545,629
Administrative expenses		(6,858,318)	(6,242,252)
<b>Operating profit</b>	3	910,394	303,377
Other interest receivable and similar income		-	9,003
Interest payable and similar charges	4	(325,352)	(1,016,758)
<b>Profit/(loss) on ordinary activities before taxation</b>		585,042	(704,378)
Tax on profit/(loss) on ordinary activities	5	-	(9,130)
<b>Profit/(loss) on ordinary activities after taxation</b>		585,042	(713,508)

The profit and loss account has been prepared on the basis that all operations are continuing operations

There are no recognised gains and losses other than those passing through the profit and loss account

# CAPITAL ACCUMULATION LIMITED

## BALANCE SHEETS

AS AT 30 JUNE 2010

	Notes	Group 2010 £	2009 £	Company 2010 £	2009 £
<b>Fixed assets</b>					
Intangible assets	7	608,492	877,461	282,425	489,236
Tangible assets	8	349,509	188,405	-	-
Investments	9	-	-	3,080,486	3,080,486
		<u>958,001</u>	<u>1,065,866</u>	<u>3,362,911</u>	<u>3,569,722</u>
<b>Current assets</b>					
Stocks	10	7,500	7,500	-	-
Debtors amounts falling due within one year	11	1,913,587	1,565,625	13,226	4,344
Debtors amounts falling due after more than one year	11	140,499	140,499	16,475,000	11,275,000
Cash at bank and in hand		<u>1,018,319</u>	<u>1,456,730</u>	<u>17,149</u>	<u>841</u>
		3,079,905	3,170,354	16,505,375	11,280,185
<b>Creditors: amounts falling due within one year</b>	12	<u>(2,940,789)</u>	<u>(7,998,448)</u>	<u>(1,449,233)</u>	<u>(6,796,476)</u>
<b>Net current assets/(liabilities)</b>		<u>139,116</u>	<u>(4,828,094)</u>	<u>15,056,142</u>	<u>4,483,709</u>
<b>Total assets less current liabilities</b>		1,097,117	(3,762,228)	18,419,053	8,053,431
<b>Creditors: amounts falling due after more than one year</b>	13	(1,749,900)	(1,499,900)	(4,569,900)	(5,849,900)
<b>Provisions for liabilities</b>	14	-	(200,000)	-	(200,000)
		<u>(652,783)</u>	<u>(5,462,128)</u>	<u>13,849,153</u>	<u>2,003,531</u>
<b>Capital and reserves</b>					
Called up share capital	16	5	3	5	3
Share premium account	17	8,670,409	4,566,035	8,670,409	4,566,035
Other reserves	17	245,649	125,722	245,649	125,722
Profit and loss account	17	<u>(9,568,846)</u>	<u>(10,153,888)</u>	<u>4,933,090</u>	<u>(2,688,229)</u>
<b>Shareholders' funds</b>	18	<u>(652,783)</u>	<u>(5,462,128)</u>	<u>13,849,153</u>	<u>2,003,531</u>

Approved by the Board and authorised for issue on

29th November, 2010



T Carruthers  
Director

Company Registration No. 4752535 (England and Wales)

# CAPITAL ACCUMULATION LIMITED

## CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2010

	£	2010 £	£	2009 £
<b>Net cash inflow from operating activities</b>		149,211		921,029
<b>Returns on investments and servicing of finance</b>				
Interest received	-		9,003	
Interest paid	(735,071)		-	
<b>Net cash (outflow)/inflow for returns on investments and servicing of finance</b>		(735,071)		9,003
<b>Taxation</b>		5,910		(15,040)
<b>Capital expenditure</b>				
Payments to acquire tangible assets	(332,700)		(76,101)	
<b>Net cash outflow for capital expenditure</b>		(332,700)		(76,101)
<b>Net cash (outflow)/inflow before management of liquid resources and financing</b>		(912,650)		838,891
<b>Financing</b>				
Issue of ordinary share capital	1,660,383		-	
New loan	1,000,000		-	
Repayment of other long term loans	(2,186,144)		-	
<b>Net cash outflow from financing</b>		474,239		-
<b>(Decrease)/increase in cash in the year</b>		(438,411)		838,891

# CAPITAL ACCUMULATION LIMITED

## NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2010

1	Reconciliation of operating profit to net cash inflow from operating activities	2010	2009
		£	£
	Operating profit	910,394	303,377
	Depreciation of tangible assets	171,596	256,154
	Amortisation of intangible assets	268,969	268,969
	(Increase)/decrease in debtors	(353,872)	115,632
	Increase/(decrease) in creditors within one year	(676,381)	(249,503)
	(Decrease)/increase in provisions	(200,000)	200,000
	Share-based payment	119,927	26,400
	Legal and consultancy debited to share premium account	(91,422)	-
	<b>Net cash inflow from operating activities</b>	<b>149,211</b>	<b>921,029</b>

2	Analysis of net debt	1 July 2009	Cash flow	Other non-cash changes	30 June 2010
		£	£	£	£
	Net cash				
	Cash at bank and in hand	1,456,730	(438,411)	-	1,018,319
	Debts falling due within one year	(5,761,731)	2,739,778	2,428,030	(593,923)
	Debts falling due after one year	(1,499,900)	(250,000)	-	(1,749,900)
		(7,261,631)	2,489,778	2,428,030	(2,343,823)
	Net debt	(5,804,901)	2,051,367	2,428,030	(1,325,504)

3	Reconciliation of net cash flow to movement in net debt	2010	2009
		£	£
	(Decrease)/increase in cash in the year	(438,411)	838,891
	Cash outflow/(inflow) from decrease/(increase) in debt	2,489,778	-
	Non cash changes in net debt	2,428,030	(896,722)
	<b>Movement in net debt in the year</b>	<b>4,479,397</b>	<b>(57,831)</b>
	Opening net debt	(5,804,901)	(5,747,070)
	<b>Closing net debt</b>	<b>(1,325,504)</b>	<b>(5,804,901)</b>

#### 4 Major non-cash transactions

The value of non-cash changes is primarily attributable to the conversion of £2 45m of debt into ordinary share capital

# **CAPITAL ACCUMULATION LIMITED**

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010**

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### **1 Accounting policies**

#### **1.1 Accounting convention**

The financial statements are prepared under the historical cost convention

The Group have prepared detailed forecasts and projections for a period beyond 12 months from the date of these accounts. These projections show the Company (and hence Group) should be able to operate within the level of its current term facility. The Company and its fellow trading subsidiaries will continue to be reliant on each other which has been reflected by the reclassification of intra-group debt to amounts falling due after one year.

The Company has undertaken to provide additional capital to its wholly owned subsidiaries to fund their operations going forward as required. It has also undertaken to underwrite the costs of services incurred by its wholly owned subsidiaries in the conduct of their business.

Having considered fully the above, the Directors have a reasonable expectation that the Company (and hence Group) 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 the annual financial statements.

The financial statements do not include any adjustments to the value of balance sheet assets, particularly the carrying value of goodwill of £608,492 and investments of £3,080,486 or provision for further liabilities, which would result should the going concern basis not be valid.

#### **1.2 Compliance with accounting standards**

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently.

#### **1.3 Basis of consolidation**

The consolidated profit and loss account and balance sheet include the financial statements of the company and its subsidiary undertakings made up to 30 June 2010. The results of subsidiaries sold or acquired are included in the profit and loss account up to, or from the date control passes. Intra-group sales and profits are eliminated fully on consolidation.

#### **1.4 Turnover**

Turnover represents the amounts (excluding value added tax) derived from trading transactions, advertising and magazine publishing.

Transactions-related revenue is derived from the following types of transactions: initial and trail commission from the sale of unit trusts and ISA's, commissions on equity and derivative trades and a share of interest margin on client cash deposits held in investment accounts. All transactions-related revenue is billed and recognised as revenue in the period that the transaction occurs.

Advertising revenue is earned in the form of upfront and variable payments dependent on delivery of a required number of advert impressions or on the number of referrals / applications generated and in the form of revenue share arrangements. Upfront and periodic payments are deferred and recognised as revenue over the period and level of advert impressions to which the contract relates. Revenue in relation to referral / application or revenue share dependent contracts is recognised in the period that the relevant referral / application occurs.

# CAPITAL ACCUMULATION LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2010

### 1 Accounting policies (continued)

#### 1.5 Goodwill

Goodwill is being written off in equal annual instalments over its estimated useful economic life of seven years

#### 1.6 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows

Land and buildings leasehold	33 33% straight line
Fixtures, fittings & equipment	20% - 33 33% straight line
Computer equipment	20% - 33 33% straight line

#### 1.7 Leasing

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

#### 1.8 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

#### 1.9 Stock

Stock is valued at the lower of cost and net realisable value.

#### 1.10 Pensions

The group operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

#### 1.11 Deferred taxation

Where material, deferred tax is provided in full, as required by FRS 19 - Deferred Tax, in respect of timing differences between the treatment of certain items for taxation and accounting purposes. Deferred tax is not discounted.

#### 1.12 Share-based payments

Certain group employees, including directors, are rewarded with share-based instruments. In accordance with the requirements of FRS 20 "Share-based payment", the group has applied FRS 20 to all equity settled share options granted after 7 November 2002 that were unvested at 1 July 2006. These share-based instruments are stated at fair value at the date of grant and this is expensed on a straight line basis over the estimated vesting period. The fair value calculation is based upon the group's estimate of shares that will eventually vest.

Fair value is estimated using the Black-Scholes-Merton valuation model. The estimated life of the instrument used in the model is adjusted for management's best estimate of the effects of non-transferability, exercise restrictions and behavioural considerations.

# CAPITAL ACCUMULATION LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2010

### 2 Turnover

The total turnover of the group for the year has been derived from its principal activity wholly undertaken in the United Kingdom

3 Operating profit	2010	2009
	£	£
Operating profit is stated after charging		
Depreciation of intangible assets	268,969	268,969
Depreciation of tangible assets	171,596	256,154
Loss on foreign exchange transactions	8,578	4,944
Provision for shareholder dispute	-	200,000
Operating lease rentals		
- Land and buildings	118,779	113,058
Auditors' remuneration (company £15,000, 2009 £15,000)	43,000	36,000
Remuneration of associates of the auditors for non-audit work		
- Taxation	6,650	6,650

4 Interest payable	2010	2009
	£	£
On other loans wholly repayable within five years	205,360	896,723
On overdue tax	-	43
Other finance charges	119,992	119,992

# CAPITAL ACCUMULATION LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2010

5	Taxation	2010 £	2009 £
	<b>Domestic current year tax</b>		
	Adjustment for prior years	-	9,130
	<b>Current tax charge</b>	-	9,130
	<b>Factors affecting the tax charge for the year</b>		
	Profit/(loss) on ordinary activities before taxation	585,042	(704,378)
	Profit/(loss) on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 28.00% (2009 - 28.00%)	163,812	(197,226)
	Effects of		
	Non deductible expenses	117,926	106,010
	Depreciation add back	65,451	79,236
	Capital allowances	(107,391)	(84,266)
	Tax losses carried forward/(utilised)	140,036	57,149
	Adjustments to previous periods	-	9,130
	Provisions tax adjustments	(379,834)	39,097
		(163,812)	206,356
	<b>Current tax charge</b>	-	9,130

The group has estimated losses of £ 7,392,000 (2009 - £ 6,937,000) available for carry forward against future profits

The group is unable to utilise these losses other than by way of offsetting against future profits. Given the uncertainty over future utilisation of these losses no deferred tax assets have been recognised in respect of them.

### 6 Profit for the financial year

As permitted by section 408 of the Companies Act 2006, the holding company's profit and loss account has not been included in these financial statements. The profit for the financial year is made up as follows:

	2010 £	2009 £
Holding company's profit for the financial year	7,621,319	2,517,765



# CAPITAL ACCUMULATION LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2010

### 7 Intangible fixed assets Group

	Goodwill £
<b>Cost</b>	
At 1 July 2009 & at 30 June 2010	1,918,782
<b>Amortisation</b>	
At 1 July 2009	1,041,321
Charge for the year	268,969
At 30 June 2010	1,310,290
<b>Net book value</b>	
At 30 June 2010	608,492
At 30 June 2009	877,461

### Company

	Goodwill £
<b>Cost</b>	
At 1 July 2009 & at 30 June 2010	1,447,680
<b>Amortisation</b>	
At 1 July 2009	958,444
Charge for the year	206,811
At 30 June 2010	1,165,255
<b>Net book value</b>	
At 30 June 2010	282,425
At 30 June 2009	489,236

# CAPITAL ACCUMULATION LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2010

### 8 Tangible fixed assets Group

	Land and buildings leasehold £	Computer equipment £	Fixtures, fittings & equipment £	Total £
<b>Cost</b>				
At 1 July 2009	206,175	1,583,286	112,359	1,901,820
Additions	-	332,700	-	332,700
At 30 June 2010	206,175	1,915,986	112,359	2,234,520
<b>Depreciation</b>				
At 1 July 2009	182,307	1,422,512	108,596	1,713,415
Charge for the year	23,868	146,292	1,436	171,596
At 30 June 2010	206,175	1,568,804	110,032	1,885,011
<b>Net book value</b>				
At 30 June 2010	-	347,182	2,327	349,509
At 30 June 2009	23,868	160,774	3,763	188,405

### Company

	Computer equipment £
<b>Cost</b>	
At 1 July 2009 & at 30 June 2010	235,511
<b>Depreciation</b>	
At 1 July 2009 & at 30 June 2010	235,511
<b>Net book value</b>	
At 30 June 2010	-
At 30 June 2009	-

# CAPITAL ACCUMULATION LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2010

### 9 Fixed asset investments Company

	Shares in group undertakings £
<b>Cost</b>	
At 1 July 2009 & at 30 June 2010	3,080,486
<b>Net book value</b>	
At 30 June 2010	3,080,486
At 30 June 2009	3,080,486

In the opinion of the directors, the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet

#### Holdings of more than 20%

The company holds more than 20% of the share capital of the following significant trading entities

Company	Country of registration or incorporation	Shares held	
		Class	%
Subsidiary undertakings			
Capital Accumulation Services Limited	England and Wales	Ordinary	100
Interactive Investor Trading Limited	England and Wales	Ordinary	100
Moneywise Publishing Limited	England and Wales	Ordinary	100

The principal activity of these undertakings for the last relevant financial year was as follows

	<b>Principal activity</b>
Capital Accumulation Services Limited	Financial products information and service provider
Interactive Investor Trading Limited	Financial products information and transactional services
Moneywise Publishing Limited	Magazine publisher

### 10 Stocks

	Group		Company	
	2010	2009	2010	2009
	£	£	£	£
Finished goods and goods for resale	7,500	7,500	-	-

# CAPITAL ACCUMULATION LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2010

### 11 Debtors

	Group 2010 £	2009 £	Company 2010 £	2009 £
Trade debtors	1,363,554	1,013,748	-	-
Amounts owed by group undertakings	-	-	16,477,435	11,279,344
Corporation tax	-	5,910	-	-
Other debtors	218,311	180,171	10,791	-
Prepayments and accrued income	472,221	506,295	-	-
	<u>2,054,086</u>	<u>1,706,124</u>	<u>16,488,226</u>	<u>11,279,344</u>

Amounts falling due after more than one year and included in the debtors above are

	2010 £	2009 £	2010 £	2009 £
Amounts owed by group undertakings	-	-	16,475,000	11,275,000
Other debtors	<u>140,499</u>	<u>140,499</u>	<u>-</u>	<u>-</u>

The subsidiaries will continue to rely upon the continued support of fellow group companies (and ultimately the parent company - Capital Accumulation Limited) for a period of at least twelve months from the date of approval of these financial statements. The company has agreed to continue to support its subsidiaries for a period of at least twelve months from the date of approval of these financial statements. Therefore £16,475,000 (2009 £11,275,000) of the balance due from subsidiaries has been classified as due after more than one year.

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

	Group 2010 £	2009 £	Company 2010 £	2009 £
Trade creditors	586,035	444,940	22,644	-
Amounts owed to group undertakings	-	-	9,105	61,211
Taxes and social security costs	141,697	149,375	8,269	5,562
Other creditors	1,353,726	6,385,644	1,337,877	6,385,644
Accruals and deferred income	859,331	1,018,489	71,338	344,059
	<u>2,940,789</u>	<u>7,998,448</u>	<u>1,449,233</u>	<u>6,796,476</u>

Other creditors includes £743,905 (2009 £623,913) accumulated preference share dividend representing the total amount accrued since April 2004.

# CAPITAL ACCUMULATION LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2010

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

	Group 2010	2009	Company 2010	2009
	£	£	£	£
Other creditors	250,000	-	250,000	-
Amounts owed to group undertakings	-	-	2,820,000	4,350,000
Preference shares classed as a financial liability	1,499,900	1,499,900	1,499,900	1,499,900
	<u>1,749,900</u>	<u>1,499,900</u>	<u>4,569,900</u>	<u>5,849,900</u>

All group companies will continue to rely upon the continued support of fellow group companies (and ultimately the parent company - Capital Accumulation Limited) for a period of at least twelve months from the date of approval of these financial statements. As a result of this support from the subsidiaries £2,820,000 (2009 £4,350,000) of the balance due to them has been classified as falling due after more than one year.

Rights and obligations relating to the preference shares are fully detailed in note 16 to the financial statements.

### 14 Provisions for liabilities

#### Group

	Other £
Balance at 1 July 2009	200,000
Profit and loss account	(200,000)
	<u>-</u>
Balance at 30 June 2010	<u>-</u>

#### Company

Balance at 1 July 2009	200,000
Profit and loss account	(200,000)
	<u>-</u>
Balance at 30 June 2010	<u>-</u>

The provision related to an arrangement that the Company entered into with a shareholder in November 2008. The provision was settled during the year in accordance with the terms of the agreement.

# CAPITAL ACCUMULATION LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2010

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### 15 Pension costs

The Group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund.

#### Defined contribution

	2010 £	2009 £
Contributions payable by the group for the year	177,819	150,727
Contributions payable to the fund at the year end and included in creditors	<u>(8,612)</u>	<u>(5,993)</u>

# CAPITAL ACCUMULATION LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2010

16 Share capital	2010	2009
	£	£
<b>Allotted, called up and fully paid</b>		
261,824 (2009 Nil) Ordinary shares of £0 000019 each	4 97	-
Nil (2009 52,500) Ordinary A shares of £0 000019 each	-	1 00
Nil (2009 7,500) Ordinary B shares of £0 000019 each	-	0 14
Nil (2009 19,605) Ordinary C shares of £0 000019 each	-	0 37
Nil (2009 56,938) Ordinary D shares of £0 000019 each	-	1 08
1 Deferred A share of £0 0025	-	-
	<u>5</u>	<u>3</u>

As approved at the Extraordinary General Meeting of members held on 30th December 2009

- 1 The ordinary share capital of the company was changed so that all of the A, B, C and D Ordinary Shares each of £0 000019 were redesignated as a single class of Ordinary Shares
- 2 51,887 new Ordinary Shares were issued pursuant to a Rights Issue
- 3 4,529 new Ordinary Shares were issued as a Bonus issue to certain shareholders and
- 4 66,269 new Ordinary Shares were issued as part of the debt for equity swap

Subsequently a further 2,596 Ordinary Shares were issued to N Brigstocke (1,229) and M Horrocks (1,367) in lieu of cash payment for accrued unpaid Directors fees

In addition to the Ordinary shares disclosed above, the Company has issued 29,998 Preference shares of £1 each are disclosed in note 13 as financial liabilities. The Preference shareholders shall be entitled to (in priority to payment of any dividend to holders of Ordinary shares) a fixed cumulative preferential dividend at the rate of 8% per annum accruing on a daily basis on the Subscription Price for such shares, paid quarterly in arrears on 31 March, 30 June, 30 September and 31 December. On a return of assets on a liquidation, reduction of capital or otherwise, the Preference shares rank above Ordinary shares. In the event of a sale the Preference shares rank above Ordinary shares.

Save as may be expressly set out in the Articles the Ordinary shares and Preference shares are treated on a par passu basis. The Deferred share(s) rank below the Ordinary shares and Preference shares.

The Ordinary shares carry the rights to distributable profits, and, on a winding-up, to all surplus capital remaining after the payment of all other debts and liabilities and preferential obligations.

# CAPITAL ACCUMULATION LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2010

### 16 Share capital

(continued)

The Preference shareholders, and the Ordinary shareholders shall be entitled to receive notice of, to attend, and to vote at, general meetings of the company, every Preference shareholder, and Ordinary shareholder who (being an individual) is present in person or by proxy or (being a corporation) is present by a duly authorised representative or by proxy, shall have one vote on a show of hands and on a poll every Preference shareholder and Ordinary shareholder so present shall have one vote for each Preference share or Ordinary share (as the case may be) held

The Group operates five share option schemes (one of which is an Inland Revenue approved scheme) under which options for shares have been granted to directors and employees. The options on three of the schemes vest and become immediately exercisable on the date of grant with respect to 25% of the Option Shares and shall thereafter vest and become exercisable with respect to the remaining 75% of the Option Shares in equal instalments of 25% of the Option Shares on each of the first, second and third anniversaries of the date of grant. The options on one of the schemes vest and become immediately exercisable on the date of grant with respect to 100% of the Option Shares. One of the schemes only vest on the achievement of performance criteria of either achieving £3 million profit before tax or on achieving an Ordinary Share price of £100. The Company has issued four rounds of options under these schemes and the numbers outstanding as at 30 June 2010 were as follows

	Round 1	Round 2	Round 3	Round 4
Exercise price	£61.11	£72.11	£72.11	£32.00
Date of grant	23/06/2004	30/03/2005	16/02/2007	17/05/2010
Expiry date	23/06/2014	30/03/2015	16/02/2017	17/05/2020
Number granted	9,840	1,440	8,673	23,312
Outstanding at 1 July 2008	5,468	881	7,005	-
Granted	-	-	-	-
Exercised	-	-	-	-
Lapsed	-	-	(213)	-
Outstanding at 30 June 2009	5,468	881	6,792	-
Outstanding at 1 July 2009	5,468	881	6,792	-
Granted	-	-	-	23,312
Exercised	-	-	-	-
Lapsed	(1,184)	-	(71)	-
Outstanding at 30 June 2009	4,284	881	6,721	23,312



# CAPITAL ACCUMULATION LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2010

### 16 Share capital

(continued)

The fair value of the options was calculated by applying the Black Scholes option valuation model. The model inputs were:

- Share price	£61.11	£72.11	£72.11	£32
- Exercise price	£61.11	£72.11	£72.11	(a)
- Expected volatility	30%	30%	25%	(b)
- Expected dividends	0%	0%	0%	0%
- Expected life	3 years	3 years	3 years	5 years
- Risk-free interest rate	5.16%	4.76%	5.33%	2.36%
Fair value of Option	£16.41	£19.03	£17.41	(c)

(a) £32 other than the scheme which vests on achieving £100 per ordinary share

(b) 30.31% other than the scheme which vests on achieving £100 per ordinary share which is 30.94%

(c) £9.90 other than the scheme which vests on achieving £100 per ordinary share which is £2.64

### 17 Statement of movements on reserves

#### Group

	Share premium account £	Share option reserve £	Profit and loss account £
Balance at 1 July 2009	4,566,035	125,722	(10,153,888)
Profit for the year	-	-	585,042
Premium on shares issued during the year	4,104,374	-	-
Share options valuation adjustment	-	119,927	-
Balance at 30 June 2010	8,670,409	245,649	(9,568,846)

#### Company

	Share premium account £	Share option reserve £	Profit and loss account £
Balance at 1 July 2009	4,566,035	125,722	(2,688,229)
Profit for the year	-	-	7,621,319
Premium on shares issued in the year	4,104,374	-	-
Share options valuation adjustment	-	119,927	-
Balance at 30 June 2010	8,670,409	245,649	4,933,090

# CAPITAL ACCUMULATION LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2010

<b>18 Reconciliation of movements in shareholders' funds</b>	<b>2010</b>	<b>2009</b>
<b>Group</b>	<b>£</b>	<b>£</b>
Profit/(Loss) for the financial year	585,042	(713,508)
Proceeds from issue of shares	4,104,376	-
Share options valuation adjustment	119,927	26,400
	<u>          </u>	<u>          </u>
Net addition to/(depletion in) shareholders' funds	4,809,345	(687,108)
Opening shareholders' funds	(5,462,128)	(4,775,020)
	<u>          </u>	<u>          </u>
Closing shareholders' funds	<u>(652,783)</u>	<u>(5,462,128)</u>
	<b>2010</b>	<b>2009</b>
<b>Company</b>	<b>£</b>	<b>£</b>
Profit for the financial year	7,621,319	2,517,765
Proceeds from issue of shares	4,104,376	-
Share options valuation adjustment	119,927	26,400
	<u>          </u>	<u>          </u>
Net addition to shareholders' funds	11,845,622	2,544,165
Opening shareholders' funds	2,003,531	(540,634)
	<u>          </u>	<u>          </u>
Closing shareholders' funds	<u>13,849,153</u>	<u>2,003,531</u>

## 19 Contingent liabilities

### Group

Subsequent to the year end HMRC carried out a routine VAT inspection of the group. HMRC have since written to the group setting out where they believe that an additional assessment to VAT may be appropriate. At this stage in the process it is not possible to predict what, if any, additional liability the group may have to VAT and no provision has been made. The Directors are of the opinion that were additional VAT to become payable, that this would not have a material effect on the financial position of the group.

# CAPITAL ACCUMULATION LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2010

### 20 Financial commitments

At 30 June 2010 the group had annual commitments under non-cancellable operating leases as follows

	Land and buildings	
	2010	2009
	£	£
Expiry date		
Between two and five years	19,800	-
In over five years	119,574	119,574
	<u>139,374</u>	<u>119,574</u>

At 30 June 2010 the company had annual commitments under non-cancellable operating leases as follows

	Land and buildings	
	2010	2009
	£	£
Expiry date		
In over five years	<u>119,574</u>	<u>119,574</u>

### 21 Directors' emoluments

	2010	2009
	£	£
Emoluments for qualifying services	316,623	238,860
Company pension contributions to money purchase schemes	<u>28,416</u>	<u>22,188</u>
	<u>345,039</u>	<u>261,048</u>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 1 (2009- 1)

Emoluments disclosed above include the following amounts paid to the highest paid director

Emoluments for qualifying services	269,878	186,360
Company pension contributions to money purchase schemes	<u>28,416</u>	<u>22,188</u>

# CAPITAL ACCUMULATION LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2010

### 22 Employees

#### Number of employees

The average monthly number of employees (including directors) during the year was

	2010 Number	2009 Number
Management	7	7
Administration	64	58
	<u>71</u>	<u>65</u>

#### Employment costs

	2010 £	2009 £
Wages and salaries	3,418,121	2,898,571
Share-based payment	119,927	26,400
Social security costs	353,330	304,680
Other pension costs	177,819	150,727
	<u>4,069,197</u>	<u>3,380,378</u>

### 23 Related party transactions

#### Group

The group has taken advantage of the exemption in Financial Reporting Standard Number 8 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company

#### Company

As at the balance sheet date the company owed Dewscope Limited, a company in which M Horrocks is a shareholder, the balance of £nil (2009 £750,000) as part of an agreed loan facility. This balance was included within other creditors due within one year. The principal amount of £750,000, and £203,188 of accrued income were exchanged for Ordinary shares during the course of the year. The interest charged in the year was £24,270 (2009 £152,000) and at the year end interest of £nil (2009 £347,000) was included in accruals.

Convertible loan notes were issued between 19 October 2004 and 10 December 2004. Interest of 8.5% is payable on the loan notes. The interests of the directors were as follows: T Carruthers - £70,000 (2009 £70,000), L Gabont - £nil (2009 £10,000) and N Brngstocke - £nil (2009 £50,000). The interest accrued in the year was as follows: T Carruthers - £8,324 (2009 £7,056), L Gabont - £496 (2009 £1,009) and N Brngstocke - £2,092 (2009 £5,120). Amounts owing to L Gabont and N Brngstocke, including interest accrued were exchanged for Ordinary shares during the course of the year.