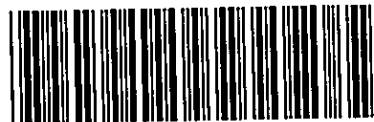


Registered company number 7273352

ALPHABET SHARES LIMITED

Directors' report and financial statements
for the year ended 31 December 2011

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ALPHABET SHARES LIMITED

Company information

Directors	Matthew Allen Alan McIntosh Hugh Osmond Marc Jonas Edward Hawkes
Secretary	Andrew Bradshaw
Company number	7273352
Registered office	4th Floor, Watson House 54 Baker Street London W1U 7BU
Auditor	Nexia Smith & Williamson 25 Moorgate London EC2R 6AY
Business address	4th Floor, Watson House 54 Baker Street London W1U 7BU

ALPHABET SHARES LIMITED

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ALPHABET SHARES LIMITED

Directors' report for the year ended 31 December 2011

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

Principal activity

The principal activity of the company is to make and hold investments

Directors

The directors who served during the year are as stated below

Matthew Allen
Alan McIntosh
Hugh Osmond
Marc Jonas
Edward Hawkes

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 profit or loss of the company for that year. In preparing these financial statements, the directors are required to

- select suitable accounting policies and apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- 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 him 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.

Disclosure of information to the auditors

In so far as the directors are aware

- there is no relevant audit information (information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware, and
- the directors have taken all the steps that they ought to have taken to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

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

ALPHABET SHARES LIMITED

**Directors' report
for the year ended 31 December 2011**

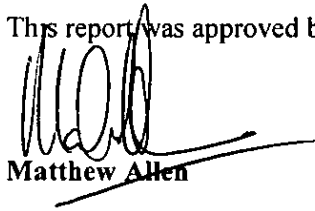
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Auditor

Nexia Smith & Williamson are deemed to be reappointed in accordance with the Companies Act 2006

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006

This report was approved by the Board on 10 October 2012 and signed on its behalf by

A handwritten signature in black ink, appearing to read 'Matthew Allen', with a long horizontal line extending to the right.

Nexia Smith & Williamson

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALPHABET SHARES LIMITED

We have audited the financial statements of Alphabet Shares Ltd for the year ended 31 December 2011 which comprise the Profit and Loss Account, the Balance Sheet, and the related notes 1 to 12. 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 set out on page 1, 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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

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 loss 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.

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, or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report.

Nexia Smith & Williamson

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALPHABET SHARES LIMITED

Other matter

The financial statements of the company for the period ended 31 December 2010 were not audited

Nexia Smith & Williamson

Jacqueline Oakes
Senior Statutory Auditor, for and on behalf of
Nexia Smith & Williamson
Statutory Auditor
Chartered Accountants

25 Moorgate
London
EC2R 6AY

12 October 2012

ALPHABET SHARES LIMITED

Profit and loss account for the year ended 31 December 2011

		2011	Restated 2010
	Notes	£	£
Turnover	2	311,304	-
Administrative expenses		(642,805)	(469,406)
Operating loss	3	(331,501)	(469,406)
Other interest receivable and similar income		181	-
Loss on ordinary activities before taxation		(331,320)	(469,406)
Tax on loss on ordinary activities		-	-
Loss for the financial year	9	(331,320)	(469,406)

The total gains and (losses) recognised since the last annual report are £(800,726)

There are no recognised gains or losses other than the profit or loss for the above two financial years

All of the company's operations are classed as continuing

The notes on pages 7 to 10 form an integral part of these financial statements.

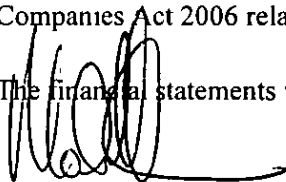
ALPHABET SHARES LIMITED

Balance sheet as at 31 December 2011

		2011		Restated 2010	
	Notes	£	£	£	£
Fixed assets					
Investments	5		3,928,433		-
Current assets					
Debtors	6	-		4,724,372	
Cash at bank and in hand		465,389		-	
		<u>465,389</u>		<u>4,724,372</u>	
Creditors: amounts falling due within one year	7	<u>(770)</u>		<u>-</u>	
Net current assets			<u>464,619</u>		<u>4,724,372</u>
Total assets less current liabilities			<u>4,393,052</u>		<u>4,724,372</u>
Net assets			<u><u>4,393,052</u></u>		<u><u>4,724,372</u></u>
Capital and reserves					
Called up share capital	8		8,661		8,661
Share premium account	9		5,185,117		5,185,117
Profit and loss account	9		(800,726)		(469,406)
Shareholders' funds	10		<u><u>4,393,052</u></u>		<u><u>4,724,372</u></u>

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies

The financial statements were approved by the Board on 10 October 2012 and signed on its behalf by


Matthew Allen
Director

Registered company number 7273352

The notes on pages 7 to 10 form an integral part of these financial statements.

ALPHABET SHARES LIMITED

Notes to the financial statements for the year ended 31 December 2011

1. Accounting policies

The financial statements have been prepared in accordance with United Kingdom Generally Accepted Accounting Practices. A summary of the more important accounting policies adopted are described below.

1.1. Basis of accounting

The financial statements have been prepared under the historical cost convention.

1.2. Prior year adjustment

A prior year adjustment has been recognised to reflect the share premium arising on the issue of shares to Xercise2 Limited on 25 October 2010 of £5,185,117, and the corresponding debtor due from Xercise Limited representing the consideration receivable. At the year ended 31 December 2010, the debtor was written down to its recoverable amount of £4,724,372 and a charge recognised in the profit and loss account of £469,406.

1.3. Cashflow statement

The company has taken advantage of the exemption in Financial Reporting Standard 1 from the requirement to produce a cashflow statement because it is a small company.

1.4. Turnover

Turnover represents dividends received from fixed asset investments. Dividends are included in turnover on the date that the right to receive payment has been established.

1.5. Investments

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

1.6. Deferred taxation

Deferred tax is provided for on a full provision basis on all timing differences which have arisen but not reversed at the balance sheet date. Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Any assets and liabilities recognised have not been discounted.

1.7. Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange prevailing at the accounting date. Transactions in foreign currencies are recorded at the date of the transactions. All differences are taken to the Profit and Loss account.

2. Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the UK.

ALPHABET SHARES LIMITED

Notes to the financial statements for the year ended 31 December 2011

continued

3. Operating loss	2011	2010
	£	£
Impairment of fixed asset investments	599,647	469,406
Net foreign exchange loss	1,731	-
Auditor's remuneration (Note 4)	770	-
	<u>770</u>	<u>-</u>

The director has received no remuneration in respect of his services to the company for the year ended 31 December 2011 (2010 £nil)

4. Auditor's remuneration	2011	2010
	£	£
Auditor's remuneration - audit of the financial statements	<u>770</u>	<u>-</u>

5. Fixed asset investments	Listed investments	Total
	£	£
Cost		
Additions	4,997,486	4,997,486
At 31 December 2011	<u>4,997,486</u>	<u>4,997,486</u>
Provisions for diminution in value:		
Charge for the year	1,069,053	1,069,053
At 31 December 2011	<u>1,069,053</u>	<u>1,069,053</u>
Net book values		
At 31 December 2011	<u>3,928,433</u>	<u>3,928,433</u>

6. Debtors	2011	Restated 2010
	£	£
Other debtors	<u>-</u>	<u>4,724,372</u>

ALPHABET SHARES LIMITED

Notes to the financial statements for the year ended 31 December 2011

continued

7.	Creditors: amounts falling due within one year	2011	2010
		£	£
	Accruals and deferred income	770	-
		<u>770</u>	<u>-</u>
8.	Share capital	2011	2010
		£	£
	Allotted, called up and fully paid		
	17,322 Ordinary shares of £0 50 each	8,661	8,661
		<u>8,661</u>	<u>8,661</u>
	Equity Shares		
	17,322 Ordinary shares of £0 50 each	8,661	8,661
		<u>8,661</u>	<u>8,661</u>
9.	Equity Reserves	Share premium account	Profit and loss account
		£	£
	Total		£
	At 1 January 2011 (As previously stated)	-	-
	At 1 January 2011 (Restated)	5,185,117	(469,406)
	Loss for the year	-	(331,320)
		<u>5,185,117</u>	<u>(800,726)</u>
	At 31 December 2011	<u>5,185,117</u>	<u>4,384,391</u>
10.	Reconciliation of movements in shareholders' funds	2011	Restated 2010
		£	£
	Loss for the year	(331,320)	(469,406)
	Opening shareholders' funds	4,724,372	5,193,778
	Closing shareholders' funds	<u>4,393,052</u>	<u>4,724,372</u>

Opening shareholders' funds as previously stated were £8,661 before the prior year adjustment of £4,715,711

ALPHABET SHARES LIMITED

Notes to the financial statements for the year ended 31 December 2011

continued

11. Related party transactions

The company has taken advantage of the exemption allowed by Financial Reporting Standard 8, "Related Party Transactions" not to disclose any transactions with entities that are disclosed in the financial statements of Xercise2 Limited

12. Ultimate parent undertaking

The company's ultimate parent company is Xercise2 Limited, a company incorporated in England and Wales. Copies of its financial statements can be obtained from Companies House, Cardiff, CF14 3UZ