

Financial Express (Holdings) Limited

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

30 September 2012



Company registration No 3672592

Financial Express (Holdings) Limited

DIRECTORS AND ADVISORS

Directors	M Holland A R B Ward P W La Brooy D Timberlake B Graap
Secretary	P W La Brooy
Company number	3672592
Registered office	7 Chertsey Road Woking Surrey GU21 5AB
Business address	7 Chertsey Road Woking Surrey GU21 5AB
Independent Auditor	Baker Tilly UK Audit LLP Chartered Accountants 25 Farringdon Street London EC4A 4AB

Financial Express (Holdings) Limited

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Financial Express (Holdings) Limited

DIRECTORS' REPORT

year ended 30 September 2012

The directors present their report and financial statements for the year ended 30 September 2012

PRINCIPAL ACTIVITIES

The principal activity of the group is the collection and provision of financial information and the development of related computer software applications

BUSINESS REVIEW AND FUTURE DEVELOPMENTS

The group has produced another good result for the year, with an increase in sales in all the company's main areas of activity. The group's turnover (including a joint venture) increased by 15% to £18.5m and an operating profit of £1.05m (2011 – £1.14m), while continuing to invest in new products and services.

The business is focused on delivering services to the investment community – asset managers, life companies and IFAs - and has performed well in a challenging macroeconomic and competitive environment.

The sales from the Hong Kong and Singapore offices are growing satisfactorily. The group's 50% investment in Global Funds Registration Ltd showed a small profit of £55k (2011 – loss of £8k). The data collection office in the Czech Republic doubled its staff to improve the service to the group's customers in continental Europe, partially supported by an EU grant, while the main Indian data and programming office continued to increase its breadth and depth of data coverage.

In January 2011, the company purchased a 40% investment in eValue FE Ltd. During the year, eValue FE Ltd produced a profit before tax of £183k (2011 – £75k).

During March and April 2012, the company repurchased 11,003 (2011 – 139,081) "A" shares and 2,100 (2011 – 4,447) "B" shares of its issued share capital for a total cost of £132,407 (2011 – £1,450,135).

At the year end, the group recognised unrealised balance sheet exchange gains that totaled £132k (2011 – loss of £121k).

The Directors are pleased to report that the financial performance of the business continues to improve in all major respects, a testament to the hard work of the staff, with plans to open further overseas sales offices.

Research and Development

The group has continued to develop its data, programming and quality systems, obtaining ISO accreditation in major parts of the business, with further accreditation in progress. The group has changed its policy with regards to capitalising development costs which has had the effect of increasing profits by £254k in the year.

The group has continued to invest in its customer support systems and staff in order further to improve its ability in help and training.

Future Outlook

The board has a positive outlook for the future, as the group looks to take advantage of steady trading domestically and further opportunities overseas. Although anticipating further difficult trading conditions in some of its marketplaces, the directors expect to have another satisfactory year, with a number of new product launches.

Financial Express (Holdings) Limited

DIRECTORS' REPORT

year ended 30 September 2012

Principal Risks & Uncertainties

The management of the business and the execution of the group's strategy are subject to a number of risks

The principal risks and uncertainties facing the group are reviewed on a regular basis by the Board and actions put in place to mitigate identified risks. As with any web based data/software business, the group has exposure to the following key risks

- A downturn in levels of demand from clients
- A downturn in the overall level of economic activity
- Fraud
- A disaster at any of its sites
- Web attacks on its systems
- Delivery system failures
- Key staff recruitment and retention

The Board has implemented appropriate internal processes in order to mitigate these key risks to business performance

Key Performance Indicators (KPI's)

The group use a large number of KPI's to monitor its performance, the major ones being

- The percentage of prices collected on a daily basis
- The timeliness of other data collected
- The downtime for any of its systems
- The utilisation levels of its communication systems
- The speed of access to its web based products
- The overall web site traffic levels
- The speed of first response to customer queries
- The clearance of queries against targets
- Customer satisfaction surveys
- Sales targets

RESULTS AND DIVIDENDS

The results of the Group are detailed in the profit and loss account. The directors have recommended an interim dividend of £166,566 (2011 £Nil). The Directors do not recommend a final dividend (2011 £Nil).

DIRECTORS

The following directors have held office since 1 October 2011

M Holland
A R B Ward
B H Graap
P W La Brooy
D Timberlake

CHARITABLE DONATIONS

During the year the group made charitable contributions totalling £16,637 (2011 £9,714)

Financial Express (Holdings) Limited

DIRECTORS' REPORT

year ended 30 September 2012

STATEMENT AS TO DISCLOSURE OF INFORMATION TO THE AUDITOR

The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditor is unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

AUDITOR

Baker Tilly UK Audit LLP has indicated its willingness to continue in office.

By order of the Board



P W La Brooy

8th March 2013

Secretary

7 Chertsey Road
Woking
Surrey GU21 5AB

Financial Express (Holdings) Limited

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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 group and the company and of the profit or loss of the group for that period.

In preparing those financial statements, the directors are required to

- a select suitable accounting policies and then apply them consistently,
- b make judgements and accounting estimates that are reasonable and prudent,
- c state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- d prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and the company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF FINANCIAL EXPRESS (HOLDINGS) LIMITED

We have audited the group and parent company financial statements (the "financial statements") on pages 6 to 24. 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 sections 495 and 496 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As more fully explained in the Directors' Responsibilities Statement set out on page 4, 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 the 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 September 2012 and of the group's profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the 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 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.

Baker Tilly UK Audit LLP

PAUL WATTS
Senior Statutory Auditor
For and on behalf of BAKER TILLY UK AUDIT LLP,
Statutory Auditor
Chartered Accountants
25 Farringdon Street
London EC4A 4AB

15 March 2013

Financial Express (Holdings) Limited

CONSOLIDATED PROFIT AND LOSS ACCOUNT

for the year ended 30 September 2012

	Notes	2012 £'000	2011 £'000
TURNOVER Group and share of joint ventures		18,525	16,021
Less Share of joint venture's turnover	6	(605)	(248)
TURNOVER	1	17,920	15,773
Cost of sales		(1,215)	(989)
GROSS PROFIT		16,705	14,784
Administrative expenses		(15,657)	(13,647)
OPERATING PROFIT	2	1,048	1,137
Other interest receivable and similar income		54	68
Share of operating profit in associate		382	75
Share of joint venture's operating profit/(loss)	6	55	(8)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,539	1,272
Tax on profit on ordinary activities	5	(398)	(377)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	14	1,141	895

All activities are classed as continuing

CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

	2012 £'000	2011 £'000
Profit for the financial year	1,141	895
Currency translations gains and (losses) on foreign currency not investments	132	(121)
Total recognised gains and losses relating to the year	1,273	774

Financial Express (Holdings) Limited
CONSOLIDATED BALANCE SHEET
at 30 September 2012

	<i>Notes</i>	2012 £'000	2011 £'000
FIXED ASSETS			
Intangible assets	7	2,544	2,534
Tangible assets	8	852	768
Investments in associate	6	1,958	1,576
		<hr/>	<hr/>
		5,354	4,878
CURRENT ASSETS			
Debtors	9	6,274	5,278
Cash at bank and in hand		3,382	2,858
		<hr/>	<hr/>
		9,656	8,136
CREDITORS amounts falling due within one year	10a	(9,772)	(8,809)
NET CURRENT LIABILITIES		<hr/> (116)	<hr/> (673)
TOTAL ASSETS LESS CURRENT LIABILITIES		<hr/> 5,238	<hr/> 4,205
CREDITORS amounts falling due after more than one year	10b	(53)	-
		<hr/>	<hr/>
NET ASSETS		5,185	4,205
		<hr/>	<hr/>
EQUITY SHARE CAPITAL AND RESERVES			
Called up share capital	12	16	16
Share premium account	13	3,941	3,935
Capital redemption reserve	13	5	5
Share based payment reserve	13	5	5
Exchange Reserves	13	85	(47)
Profit and loss account	13	1,133	291
		<hr/>	<hr/>
SHAREHOLDERS' FUNDS	14	5,185	4,205
		<hr/>	<hr/>

The financial statements were approved and authorised for issue by the Board on 8th March 2013



M Holland
Director



P La Brooy
Director

Financial Express (Holdings) Limited

COMPANY BALANCE SHEET

at 30 September 2012

Company Reg No 3672592

	Notes	2012 £'000	2011 £'000
FIXED ASSETS			
Investments	6	6,677	6,677
Tangible assets	8	681	590
		<u>7,358</u>	<u>7,267</u>
CURRENT ASSETS			
Debtors	9	3,110	1,521
Cash at bank and in hand		832	404
		<u>3,942</u>	<u>1,925</u>
CREDITORS amounts falling due within one year	10a	(6,862)	(5,223)
NET CURRENT LIABILITIES		<u>(2,920)</u>	<u>(3,298)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		4,438	3,969
CREDITORS amounts falling due after more than one year	10b	(53)	-
NET ASSETS		<u>4,385</u>	<u>3,969</u>
EQUITY SHARE CAPITAL AND RESERVES			
Called up share capital	12	16	16
Share premium account	13	3,941	3,935
Capital redemption reserve	13	5	5
Share based payment reserve	13	5	5
Exchange Reserves	13	(16)	(73)
Profit and loss account	13	434	81
SHAREHOLDERS' FUNDS		<u>4,385</u>	<u>3,969</u>

The financial statements were approved and authorised for issue by the Board on 8th March 2013



M Holland
Director



P La Brooy
Director

Financial Express (Holdings) Limited
CONSOLIDATED CASH FLOW STATEMENT
for the year ended 30 September 2012

	<i>Notes</i>	2012 £'000	2011 £'000
NET CASH INFLOW FROM OPERATING ACTIVITIES	16(a)	1,851	2,281
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received		54	68
TAXATION			
Corporation tax paid		(524)	(451)
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	16(c)	(739)	(581)
AQUISITIONS AND DISPOSALS			
Payment to acquire investment in associate		-	(1,501)
EQUITY DIVIDENDS PAID		(167)	-
Cash inflow/(outflow) before financing		475	(184)
FINANCING	16 (d)	(138)	(1,393)
Returns/(Loss) from joint venture		-	(8)
Exchange Differences		187	(112)
INCREASE/(DECREASE) IN CASH AT BANK		524	(1,697)

Financial Express (Holdings) Limited

ACCOUNTING POLICIES

for the year ended 30 September 2012

ACCOUNTING CONVENTION

The financial statements are prepared under the historical cost convention, in accordance with applicable accounting standards

GOING CONCERN

After making reasonable enquiries, the board of directors consider that the group has adequate resources to continue its operations for the foreseeable future and therefore these financial statements have been prepared on a going concern basis

BASIS OF CONSOLIDATION

The Group accounts consolidate the financial statements of the company and all its subsidiary undertakings. Intra-group profits are eliminated on consolidation. Profits and losses of companies entering or leaving the group are included from the date of acquisition or up to the date of disposal. The net assets of subsidiaries acquired are included on the basis of their fair value at the date of acquisition being the date on which control passes.

ASSOCIATED UNDERTAKINGS

Undertakings in which the group has a participating interest and over which it exerts significant influence are defined as associated undertakings. The financial statements include the appropriate share of the results and reserves of these undertakings using the equity method based on audited financial statements to 30 September.

JOINT VENTURES

Undertakings in which the group has a long term interest and shares control under a contractual arrangement are defined as joint ventures. Joint ventures are accounted for using the gross equity method.

GOODWILL

Purchased goodwill is capitalised and amortised over its estimated useful economic life, which the directors have estimated as being twenty years.

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:

Databases	20% on cost
Portable computer equipment	33% on cost
Computer equipment	25% on cost
Fixtures, fittings & equipment	25% on cost
Motor vehicles	25% on cost
Leasehold improvements	over life of the lease

Any assets which are impaired in value, as measured by usage or by reference to the income that can be generated, are written down to their estimated impaired value.

INTANGIBLE FIXED ASSETS AND AMORTISATION

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

Data Histories	20% on cost
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Any assets which are impaired in value, as measured by usage or by reference to the income that can be generated, are written down to their estimated impaired value.

INVESTMENTS

Investments in the company's balance sheet are stated at cost, less any provision for impairments.

Financial Express (Holdings) Limited

ACCOUNTING POLICIES

for the year ended 30 September 2012

TURNOVER

Revenue is derived from the provision of financial information and related software. Recurring revenues are recognised net of VAT over the period the services are provided, once a signed contract is in place, the recoverability of the debt is reasonably assured and the arrangement is fixed or determinable.

LEASED ASSETS AND OBLIGATIONS

Where assets are financed by leasing agreements that give rights approximating to ownership ("finance leases"), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as obligations to the lessor. Lease payments are treated as consisting of capital and interest elements, and the interest is charged to the profit and loss account in proportion to the remaining balances.

All other leases are "operating leases" and the annual rentals are charged to profit and loss on a straight line basis over the lease term.

RESEARCH AND DEVELOPMENT

Development costs are capitalised within intangible assets where they can be identified with a specific product or project anticipated to produce future benefits, up until the year of first release of the new product, at which time they will be amortised on the straight line basis over the anticipated life of the benefits arising from the completed product or project, usually 3 years. This policy is a change from prior years when development costs were written off to profit and loss as incurred.

Deferred research and development costs are reviewed annually, and where future benefits are deemed to have ceased or to be in doubt, the balance of any related research and development is written off to the profit and loss account.

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 is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

FOREIGN CURRENCIES

Assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the profit and loss account.

Assets, liabilities, and results of overseas subsidiaries are translated at the rate ruling at the balance sheet date. Exchange differences arising are dealt with through the profit and loss account.

DEFINED CONTRIBUTION PENSION SCHEME

Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

Financial Express (Holdings) Limited

ACCOUNTING POLICIES

for the year ended 30 September 2012

SHARE BASED PAYMENTS

The Group issues equity-settled share-based payments to certain employees, which are measured at fair value at the date of grant. The fair value determined at the grant date of equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest.

The fair value is measured by use of the Black-Scholes option pricing model. The expected life used in the model has been adjusted, based on management's best estimate, for the effect of non-transferability, exercise restrictions, and behavioural considerations.

GOVERNMENT GRANTS

Government grants of a revenue nature are credited to income in the period in which they relate.

Financial Express (Holdings) Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2012

1 TURNOVER

Turnover is wholly attributable to the principal activity of the group

	2012 £'000	2011 £'000
Analysis of turnover by geographical destination		
United Kingdom	16,302	14,489
Rest of Europe	760	591
Rest of World	858	693
	<u>17,920</u>	<u>15,773</u>

2 OPERATING PROFIT

	2012 £'000	2011 £'000
Operating profit is stated after (crediting)/charging		
Depreciation of tangible assets - owned	409	327
- leased	11	-
Amortisation of intangibles	248	244
Audit Services		
- Statutory audit of parent and consolidated accounts	21	21
- Audit of subsidiaries where such services are provided by Baker Tilly or its associates	25	22
Operating leases		
- land and buildings	979	743
- plant and equipment	10	-
Government grants receivable	(159)	(33)
Foreign exchange gain	(44)	(44)
Loss on disposal of fixed asset	12	-
	<u></u>	<u></u>

3 DIRECTORS AND EMPLOYEES

	2012 £'000	2011 £'000
Staff costs including directors' emoluments		
Wages and salaries	8,966	7,842
Social security costs	865	708
Other pension costs	556	465
	<u>10,387</u>	<u>9,015</u>

Average number employed including executive directors

	Number	Number
Sales	31	30
Other	299	243
	<u>330</u>	<u>273</u>

£'000 £'000

Directors' emoluments (including pension contributions)

	£'000	£'000
Emoluments	877	762
Fees paid to non-executive Directors	18	18
	<u>895</u>	<u>780</u>

Financial Express (Holdings) Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2012

4 DIRECTORS AND EMPLOYEES (continued)

The emoluments of the highest paid director was £330,200 (2011 £303,226) and pension contributions in respect of the director to the defined contribution scheme were £Nil (2011 £Nil). During the year, the group made pension contributions for two directors and contributions paid amounted to £54,913 (2011 two directors £48,172)

The highest paid director does not hold any share options thus none were exercised in the year (2011 Nil)

PENSION COSTS - DEFINED CONTRIBUTION SCHEME

The group operated a defined contribution 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 company to the fund and amounted to £555,564 (2011 £455,773)

5 TAXATION	2012 £'000	2011 £'000
<i>Analysis of charge in the period</i>		
Current tax - UK corporation tax on profits for the period	237	318
Foreign Taxation	124	62
	<u>361</u>	<u>380</u>
Deferred tax -- origination and reversal of timing differences	37	(3)
	<u>398</u>	<u>377</u>
<i>Factors affecting tax charge in the period</i>		
Profit on ordinary activities before taxation	1,539	1,272
	<u> </u>	<u> </u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 25% (2011 - 27%)	385	343
Expenses not deductible for tax purposes (primarily amortisation)	104	49
Capital allowances in excess of depreciation	(71)	(8)
Share Scheme Deduction	-	(27)
Group Relief	-	(4)
Foreign Tax	124	46
Group Dividend Received	-	-
Short Term Timing differences and other deductions in period	(72)	(19)
Tax adjustment in relation to associate and joint venture	(109)	-
	<u>361</u>	<u>380</u>

Factors that may affect future tax charges

The only factor that may affect future tax charges is anticipated to be the potential utilisation of losses carried forward, to the extent that they have not already been recognised as deferred tax assets

Financial Express (Holdings) Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2012

6 FIXED ASSET INVESTMENTS

GROUP	Associated Undertakings £'000
Share of net assets	
1 October 2011	1,576
Share of retained profit for the year	183
Adjustment in relation to prior year capitalised development costs	199
30 September 2012	<u>1,958</u>
COMPANY	£'000
Cost of unlisted shares in unlisted subsidiaries and associates	
1 October 2011 and 30 September 2012	<u>6,677</u>

Details of the investments in which the group and company (unless indicated) holds 20% or more of the nominal value of any classes of share capital are as follows

	Place of Incorporation	Percentage Holding	Principal Activity
Financial Express Limited	England & Wales	100%	Financial Information Services
Trustnet Limited	England & Wales	100%	Financial Information Services
UK-Wire Limited	England & Wales	100%	Dormant
Global Funds Registration Limited	England & Wales	50%	Fund Registration Services
Financial Express International Limited	Jersey	100%	Consultancy
Fedby Information Services Private Limited	India	100%	Financial Information Services
eValue FE Ltd	England & Wales	38%	Financial Information Services

JOINT VENTURE

In 2007 the company invested £5,000 for 50% of the ordinary share capital of Global Funds Registrations Limited – ("GFR") in which it shares joint control with Technical Fund Marketing Limited. GFR provides the service of registering investment funds in all countries in which they wish to operate

GFR provides the service of registering investment funds in all countries in which they wish to operate and runs a service producing and distributing multi-lingual Key Investor Information Documents (KIDs)

GFR generated £1,209,391 of turnover for the year to 30 September 2012 (2011 £495,257) of which £604,696 (2011 £248,120) has been recognised in the group accounts under the gross equity method. An operating profit of £54,996 has been recognised in the consolidated profit and loss account as Financial Express (Holdings) Limited's share of GFR's profits to 30 September 2012 (2011 loss of £8,142)

As at 30 September 2012, GFR had net liabilities of £17,643 (2011 £127,634)

The intercompany debtor between the parent company and the joint venture amounts to £99,238 (2011 £108,495)

Financial Express (Holdings) Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2012

6 FIXED ASSET INVESTMENTS (Continued)

ASSOCIATED COMPANY

In January 2011, the company purchased 40% of the issued ordinary shares and 50% of the issued preference shares of eValue FE Ltd for £1.5m. The preference shares can be redeemed as from 1st January 2013 in instalments until 1st April 2015.

The turnover for 12 months to 30th September 2012 for eValue FE was £4,512,287, with a profit before tax of £471,613. Taxation was zero. The company held fixed assets totalling £4,139,619, with current assets totalling £3,265,152. Creditors falling due within one year were £1,760,376, and falling after one year £4,454,600.

7	INTANGIBLE FIXED ASSETS	Data Histories £'000	Goodwill £'000	Development £'000	Total £'000
	GROUP				
	Cost				
	At 30 September 2011	175	4,644	-	4,819
	Additions	4	-	254	258
	At 30 September 2012	179	4,644	254	5,077
	Amortisation				
	At 30 September 2011	138	2,147	-	2,285
	Charge for the year	14	234	-	248
	At 30 September 2012	152	2,381	-	2,533
	Net book value				
	At 30 September 2012	27	2,263	254	2,544
	At 30 September 2011	37	2,497	-	2,534

Prior to 2012 research and development expenses were written off in the year they occurred. The Directors have decided that where these costs can be identified with a specific product or project anticipated to produce future benefits it is more appropriate to capitalise them within intangible assets. These assets will then be amortised on the straight line basis over the anticipated life of the benefits arising from the completed product or project.

This is a change in accounting policy but no restatement is required for 2011 because no research and development costs were incurred for this period.

The development asset relates to a new project being undertaken by the group, FE Research.

Financial Express (Holdings) Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2012

8	TANGIBLE FIXED ASSETS				
	GROUP	Computer equipment & software £'000	Fixtures, fittings and equipment £'000	Leasehold Improvements £'000	Total £'000
	Cost				
	At 30 September 2011	1,472	272	168	1,912
	Foreign exchange rate movements	(89)	(11)	(9)	(109)
	Additions	413	95	66	574
	Disposals	(9)	(34)	(86)	(129)
	At 30 September 2012	1,787	322	139	2,248
	Depreciation				
	At 30 September 2011	893	150	101	1,144
	Foreign exchange rate movements	(43)	(5)	(6)	(54)
	Charge for the year	332	43	48	423
	On disposals	(8)	(35)	(74)	(117)
	At 30 September 2012	1,174	153	69	1,396
	Net book value				
	At 30 September 2012	613	169	70	852
	At 30 September 2011	579	122	67	768
	COMPANY	Computer equipment & software £'000	Fixtures, fittings and equipment £'000	Leasehold improvements £'000	Total £'000
	Cost				
	At 30 September 2011	1,060	136	170	1,366
	Additions	293	61	66	420
	Disposals	(9)	(11)	(85)	(105)
	At 30 September 2012	1,344	186	151	1,681
	Depreciation				
	At 30 September 2011	604	67	105	776
	Charge for the year	254	36	28	318
	Disposals	(9)	(11)	(74)	(94)
	At 30 September 2012	849	92	59	1,000
	Net book value				
	At 30 September 2012	495	94	92	681
	At 30 September 2011	456	69	65	590

The net book amount of tangible fixed assets includes an amount of £82,217 (2011 £nil) in respect of computer equipment and software held under finance leases. The amount of depreciation in respect of such assets amounted to £11,238 (2011 £nil) for the year.

Financial Express (Holdings) Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2012

9	DEBTORS amounts falling within one year	GROUP		COMPANY	
		2012 £'000	2011 £'000	2012 £'000	2011 £'000
	Trade debtors	4,611	3,693	355	242
	Amounts due from joint venture	99	51	99	108
	Amounts due from subsidiary undertakings	-	-	1,625	-
	Other debtors	613	602	656	712
	Prepayments and accrued income	951	932	375	459
		<u>6,274</u>	<u>5,278</u>	<u>3,110</u>	<u>1,521</u>

Included within other debtors are interest bearing loans of £82,176 (2011 £99,594) to staff members for the exercise of options and the purchase of shares in Financial Express (Holdings) Limited

Included in other debtors of the group is a deferred tax asset of £5,011 (2011 £42,013)

Included in the other debtors of the company is a deferred tax asset of £nil (2011 £28,754) see note 11

10a	CREDITORS amounts falling due within one year	GROUP		COMPANY	
		2012 £'000	2011 £'000	2012 £'000	2011 £'000
	Trade creditors	424	513	303	324
	Amounts owed to subsidiary undertakings	-	-	4,292	3,264
	Corporation tax	176	339	64	93
	Obligations under finance lease contracts	28	-	28	-
	Other taxes and social security	721	624	194	182
	Other creditors	262	151	59	37
	Accruals and deferred income	8,161	7,182	1,922	1,323
		<u>9,772</u>	<u>8,809</u>	<u>6,862</u>	<u>5,223</u>

Included within other creditors of the company is a deferred tax liability of £8,420 (2011 nil) see note 11

In relation to the defined contribution scheme and included within other creditors, the group and company had outstanding contributions of £46,404 (2011 £43,241)

Obligations under finance lease contracts are secured on related assets

Financial Express (Holdings) Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2012

10b CREDITORS amounts falling due after more than one year

	GROUP		COMPANY	
	2012 £'000	2011 £'000	2012 £'000	2011 £'000
Obligations under finance lease contracts	53	-	53	-
	<u>53</u>	<u>-</u>	<u>53</u>	<u>-</u>
Obligations under finance lease contracts Group and Company			2012 £'000	2011 £'000
Between one and two years			41	-
Between two and five years			12	-
Falling due after more than one year			<u>53</u>	<u>-</u>
Repayable within one year			28	-
			<u>81</u>	<u>-</u>

11 DEFERRED TAX

	GROUP		COMPANY	
	2012 £'000	2011 £'000	2012 £'000	2011 £'000
Corporation tax deferred by Accelerated capital allowances	52	(21)	51	(13)
Other items	(57)	(21)	(43)	(16)
Deferred tax liability/(asset)	<u>(5)</u>	<u>(42)</u>	<u>8</u>	<u>(29)</u>

The potential asset has been calculated on a corporation tax rate of 25% (2011 27%)

Deferred tax – movement in the year

	GROUP		COMPANY	
	2012 £'000	2011 £'000	2012 £'000	2011 £'000
At 30 September 2011	(42)	(46)	(29)	(22)
Charge/(Credit) to the profit and loss account	37	4	37	(7)
At 30 September 2012	<u>(5)</u>	<u>(42)</u>	<u>8</u>	<u>(29)</u>

Financial Express (Holdings) Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2012

12	SHARE CAPITAL	2012 £	2011 £
	GROUP AND COMPANY		
	Authorised		
	9,700,000 'A' ordinary shares of 1p each	97,000	97,000
	200,000 'B' ordinary shares of 1p each	2,000	2,000
	100,000 'C' ordinary shares of 1p each	<u>1,000</u>	<u>1,000</u>
		100,000	100,000
	Allotted, called up and fully paid		
	1,536,670 'A' ordinary shares of 1p each (2011 1,547,673)	15,366	15,477
	94,870 'B' ordinary shares of 1p each (2011 94,870)	<u>949</u>	<u>949</u>
		16,315	16,426

The 'B' ordinary shareholders are not entitled to vote in general meetings but in all other respects, the shares rank pari passu with the 'A' ordinary shares. As at 30th September 2012 the 'C' ordinary shares are entitled to vote, but do not qualify for dividends or capital distributions until the company is worth more than £100 million. On 6th December 2012, the Articles were changed so that "C" shares will receive an entitlement of one hundredth of any dividend declared and only the amount originally paid for the shares in the event of a capital distribution. No 'C' ordinary shares had been issued at 30th September 2012.

During the year Financial Express (Holdings) Limited re-purchased 11,003 'A' and 2,100 'B' ordinary shares for a total consideration of £132,407. Also, during the year 2,100 'B' ordinary shares were issued on the exercise of options to staff under the share option scheme.

SHARE OPTIONS

The company had granted options over 'B' shares under an EMI approved scheme as follows:

Issue Date	30 Sept 2011	Number of Options			30 Sept 2012	Exercise Price
		Exercised in year	Granted in year	Lapsed		
13/03/03	40,023	-	-	-	40,023	249 74p
27/07/04	5,058	-	-	-	5,058	318 00p
22/05/07	23,200	2,100	-	-	21,100	289 04p
01/10/09	6,500	-	-	-	6,500	515 00p

The Group plan provides for a grant price equal to the average market price of the Group shares on the date of grant. The vesting period is generally 3 to 5 years. If options remain unexercised after a period of 10 years from the date of grant, the options expire. Furthermore, options are forfeited if the employee leaves the Group before the options vest.

The inputs into the Binomial model were as follows:

Issue of options	Share price £	Volatility	Expected life	Dividend rate
28/02/01	0.63	25%	3 years	0%
13/03/03	2.50	25%	3 years	3.2%
27/07/04	3.18	25%	3 years	7.8%
22/05/07	2.83	25%	3 years	6.3%
01/10/09	5.15	40%	5 years	6.5%

Financial Express (Holdings) Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2012

12 SHARE CAPITAL (continued)

Expected volatility was determined by calculating the historical volatility of the Group's share price over the previous 5 years. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non transferability, exercise restrictions, and behavioural considerations.

The Group recognised total expense of £nil (2011: £nil) relating to equity-settled share-based payment transaction. No share based payment charge has been charged in respect of the 6,500 options issued October 2009. The fair value of the options issued was estimated to be in the region of £8,000 - £17,500 which would have resulted in a charge for the year between £2,650 and £5,850.

13 STATEMENT OF MOVEMENTS ON RESERVES

GROUP	Capital redemption reserve £'000	Share premium account £'000	Share based payment £'000	Exchange Reserves £'000	Profit and loss account £'000
Balance at 30 September 2011	5	3,935	5	(47)	291
Profit for the year	-	-	-	-	1,141
Dividend	-	-	-	-	(167)
Repurchase of shares	-	-	-	-	(132)
Shares issued in year	-	6	-	-	-
Other movements	-	-	-	132	-
Balance at 30 September 2012	5	3,941	5	85	1,133
COMPANY					
Balance at 30 September 2011	5	3,935	5	(73)	81
Profit for the year	-	-	-	-	642
Dividend	-	-	-	-	(167)
Repurchase of shares	-	-	-	-	(132)
Shares issued in year	-	6	-	-	-
Other movements	-	-	-	57	10
Balance at 30 September 2012	5	3,941	5	(16)	434

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account. Details of the purchase of shares are set out in note 12.

14 RECONCILIATION IN MOVEMENT IN SHAREHOLDERS' FUNDS – GROUP

	2012 £'000	2011 £'000
Profit after tax for the year	1,141	895
Exchange Differences	132	(121)
Equity dividends	(167)	-
Repurchase of shares	(132)	(1,546)
Issue of shares	6	153
Net addition/(reduction) to shareholders' funds	980	(619)
Shareholders' funds as at 30 September 2011	4,205	4,824
Shareholders' funds as at 30 September 2012	5,185	4,205

Financial Express (Holdings) Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2012

15	DIVIDENDS	2012 £'000	2011 £'000
	1 st Interim - A ordinary shares 11 03 pence per share (2011 £nil)	157	-
	- B ordinary shares 11 03 pence per share (2011 £nil)	10	-
		<u>167</u>	<u>-</u>
16	CASH FLOW STATEMENT		
(a)	Reconciliation of operating profit to net cash inflow from operating activities	2012 £'000	2011 £'000
	Operating profit	1,048	1,137
	Depreciation and amortisation charges	671	560
	Loss on disposal of fixed assets	12	-
	Increase in debtors	(978)	(629)
	Increase in creditors	1,098	1,213
	Net cash inflow from operating activities	<u>1,851</u>	<u>2,281</u>
(b)	Reconciliation of net cash flow to movement in net funds	2012 £'000	2011 £'000
	Increase/(Decrease) in cash in the period	524	(1,697)
	Finance leases movements in period	(81)	-
	Movement in net funds in the period	<u>443</u>	<u>(1,697)</u>
	Net funds at 1 October 2011	2,858	4,555
	Net funds at 30 September 2012	<u>3,301</u>	<u>2,858</u>
(c)	Capital Expenditure	2012 £'000	2011 £'000
	Payment to acquire tangible fixed asset	(481)	(576)
	Payment to acquire intangible fixed assets	(258)	(5)
	Net outflow for capital expenditure	<u>(739)</u>	<u>(581)</u>

Financial Express (Holdings) Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2012

16 CASH FLOW STATEMENT (continued)

(d)	Financing	2012 £'000	2011 £'000
	Issue of ordinary share capital	6	153
	Repurchase of own shares	(132)	(1,546)
	Repayment of finance lease	(12)	-
	Net outflow for financing	<u>(138)</u>	<u>(1,393)</u>

(e)	Analysis of changes in net funds	At 30 September 2011 £'000	Cash flow £'000	Other non cash movements £'000	At 30 September 2012 £'000
	Cash at bank and in hand	2,858	524	-	3,382
	Finance Leases	-	12	(93)	(81)
	Net funds	<u>2,858</u>	<u>536</u>	<u>(93)</u>	<u>3,301</u>

17 GUARANTEES AND OTHER FINANCIAL COMMITMENTS

As at 30 September 2012, the annual financial commitments under non-cancellable operating leases as set out below

	GROUP		COMPANY	
	2012 Land and buildings £'000	2011 Land and buildings £'000	2012 Land and buildings £'000	2011 Land and buildings £'000
Expiring				
Less than one year	382	280	25	140
Within two to five years	182	191	130	191
After five years	275	275	275	275
	<u>839</u>	<u>746</u>	<u>430</u>	<u>606</u>
	GROUP		COMPANY	
	2012 Plant & Equipment £'000	2011 Plant & Equipment £'000	2012 Plant & Equipment £'000	2011 Plant & Equipment £'000
Expiring				
Less than one year	34	-	34	-
Within two to five years	49	-	49	-
After five years	-	-	-	-
	<u>83</u>	<u>-</u>	<u>83</u>	<u>-</u>

Financial Express (Holdings) Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2012

17 GUARANTEES AND OTHER FINANCIAL COMMITMENTS *(continued)*

The company is a member of a VAT group and the net potential liability under the group registration as of 30 September 2012 was £522,274 (2011 £445,616)

During the year the company agreed a financing facility of £500,000 in order to fund computer hardware and software purchases, secured by a fixed and floating charge over the assets of the company. The directors believe that due to the nature of the agreement, the costs relating to hardware purchases should be treated as an operating lease. Payments totalled £9,840 for the year ended 30 September 2012 and were charged directly to the profit and loss account.

18 CAPITAL COMMITMENTS

During the year, Financial Express (Holdings) Ltd had committed £nil (2011 £134,000) towards capital expenditure.

19 RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption available under paragraph 3(c) of Financial Report Standard 8 Related party disclosures and therefore does not disclose transactions with its subsidiary companies.

The group provided services totalling £65,000 (2011 £84,273) to eValue FE Limited, an associate undertaking of the group, and received services of £15,347 (2011 £55,733). At 30 September 2012 £686 was owed to the group (2011 £33,224).

During the year the group provided software totalling £34,654 (2011 £95,588) to its joint venture, Global Funds Registration Limited. No amounts were outstanding at the period end.

During the year, dividends were paid to the directors as detailed below.

	2012 £	2011 £
M Holland	50,564	-
A R B Ward	-	-
P W La Brooy	5,710	-
D Timberlake	7,875	-
B Graap	-	-

20 CONTINGENT LIABILITY

The company is in dispute with the Indian Tax Authorities over the taxation status of its Indian subsidiary Fedby Information Services Private Ltd. The potential liability totals £75,000. The Board of Directors are confident that this dispute will be settled in the company's favour and therefore no provision has been made in these financial statements.