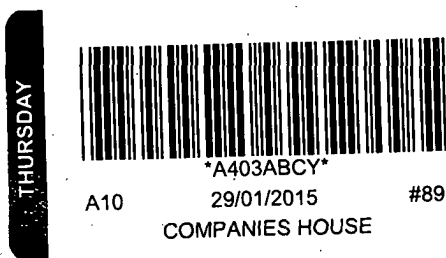


# Financial Express (Holdings) Limited

## DIRECTORS' REPORT AND FINANCIAL STATEMENTS

30 September 2014



Company registration No. 3672592

# Financial Express (Holdings) Limited

## DIRECTORS AND ADVISORS

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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 : 3<sup>rd</sup> Floor Hollywood House  
Church Street East  
Woking  
Surrey GU21 6HJ

Business address : 3<sup>rd</sup> Floor Hollywood House  
Church Street East  
Woking  
Surrey GU21 6HJ

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 2014

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The directors present their report and financial statements for the year ended 30 September 2014.

In accordance with S414C of the Companies Act, information regarding the group's principal risks and uncertainties and key performance indicators are included in the strategic report.

### PRINCIPAL ACTIVITIES

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

### RESEARCH AND DEVELOPMENT

The group has continued to develop its data, programming and quality systems, obtaining ISO accreditation in major parts of the business. During the year the group capitalised development work totaling £222,000 with regards to a new product, Trustnet Direct, which launched in March 2014

The group has continued to invest in its customer support systems and staff in order further to improve its ability to answer queries in a timely manner and enhance the training in the use of FE products.

### FUTURE OUTLOOK

The board has a positive outlook for the future, as the group looks to take advantage of improved trading conditions 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, such as FE Invest, FE Generate and FE Transmission.

### RESULTS AND DIVIDENDS

The results of the group are detailed in the profit and loss account. The directors have recommended an interim dividend of £338,559 (2013: £324,194). The Directors do not recommend a final dividend (2013: £Nil).

### DIRECTORS

The following directors have held office since 1 October 2013:

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 £5,688 (2013: £11,952).

### POST BALANCE SHEET EVENT

In January 2011, the company purchased 38% of the issued ordinary shares and 50% of the issued preference shares of eValue FE Limited ("eValue FE") for £1.5m. The preference shares can be redeemed as from 1<sup>st</sup> January 2013 in instalments until 1<sup>st</sup> April 2015. During the year, the company loaned eValue FE £510,000. On 13<sup>th</sup> November 2014, the company sold its £1.5m of preference shares, declined a request for a further loan and hence under the Investment Agreement has reduced its holding to 8%.

# Financial Express (Holdings) Limited

## DIRECTORS' REPORT

year ended 30 September 2014

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### 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  
Secretary

22 January 2015

3<sup>rd</sup> Floor, Hollywood House  
Church Street East  
Woking  
Surrey GU21 6HJ

# Financial Express (Holdings) Limited

## STRATEGIC REPORT

year ended 30 September 2014

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### 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

### 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 12% to £22.7m with an operating profit of £1.16m (2013 – £1.47m), while continuing to invest heavily in new products and services, launching Trustnet Direct in March 2014.

The business is focused on delivering services to the investment community – asset managers, life companies and IFAs – to enable their customers to make “better informed” investment decisions and has performed well in a challenging macroeconomic and competitive environment. In order to provide model portfolios, the group's subsidiary Trustnet Ltd is now regulated by the FCA as a fund manager.

The sales from the Hong Kong and Singapore offices were satisfactory and the group opened a permanent office in Australia. The group's 50% investment in Global Funds Registration Ltd showed a profit of £344k (2013 – £145k). The data collection office in the Czech Republic continued to increase in numbers of staff and improve the service to the group's customers, partially supported by an EU grant which ended in July 2014, while the main Indian data and programming office continued to increase its breadth and depth of data coverage.

In October 2013, the company repurchased 12,500 (2013 – 25,000) “A” shares for a total cost of £176k (2013 – £370k).

At the year end, the group suffered unrealised balance sheet exchange losses that totalled £173k (2013 – losses of £271k) that were charged to the profit and loss.

# Financial Express (Holdings) Limited

## STRATEGIC REPORT

year ended 30 September 2014

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The Directors are pleased to report that the sales performance of the business continues to improve in all major respects, a testament to the hard work of the staff. However profits have suffered slightly in the short term as the group increased its resources devoted to developing products, and reduces its reliance on bespoke development.

By order of the Board



P W La Brooy  
Secretary

22 January 2015

# Financial Express (Holdings) Limited

## DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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The directors are responsible for preparing the Directors' Report, the Strategic 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 MEMBERS OF FINANCIAL EXPRESS (HOLDINGS) LIMITED

We have audited the group and parent company financial statements (the "financial statements") on pages 7 to 26. 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 more fully explained in the Directors' Responsibilities Statement 5, 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 Financial Reporting Council's website at: [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### 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 September 2014 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 Strategic Report and 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

27 January 2015

**Financial Express (Holdings) Limited**  
**CONSOLIDATED PROFIT AND LOSS ACCOUNT**  
for the year ended 30 September 2014

	<i>Notes</i>	2014 £'000	2013 £'000
TURNOVER: Group and share of joint ventures		22,664	20,236
Less: Share of joint venture's turnover	5	(883)	(614)
TURNOVER	1	<u>21,781</u>	<u>19,622</u>
Cost of sales		(1,485)	(1,412)
GROSS PROFIT		<u>20,296</u>	<u>18,210</u>
Administrative expenses		(19,137)	(16,741)
OPERATING PROFIT	2	<u>1,159</u>	<u>1,469</u>
Other interest receivable and similar income		43	46
Interest payable – finance leases		(6)	(4)
Share of operating (loss) in associate		(459)	(311)
Share of joint venture's operating profit	5	344	145
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>1,081</u>	<u>1,345</u>
Tax on profit on ordinary activities	4	(325)	(360)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	13	<u><u>756</u></u>	<u><u>985</u></u>

All activities are classed as continuing.

**CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**

	2014 £'000	2013 £'000
Profit for the financial year	756	985
Currency translations, gains and (losses) on foreign currency net investments	25	(102)
Total recognised gains and losses relating to the year	<u><u>781</u></u>	<u><u>883</u></u>

**Financial Express (Holdings) Limited**  
**CONSOLIDATED BALANCE SHEET**  
**at 30 September 2014**

	<i>Notes</i>	2014 £'000	2013 £'000
<b>FIXED ASSETS</b>			
Intangible assets	6	2,367	2,590
Tangible assets	7	1,033	809
Investments	5	2,066	2,268
		<u>5,466</u>	<u>5,667</u>
<b>CURRENT ASSETS</b>			
Debtors	8	6,401	6,926
Cash at bank and in hand		4,989	4,417
		<u>11,390</u>	<u>11,343</u>
CREDITORS: amounts falling due within one year	9a	(11,006)	(11,427)
NET CURRENT ASSETS/(LIABILITIES)		<u>384</u>	<u>(84)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>5,850</u>	<u>5,583</u>
CREDITORS: amounts falling due after more than one year	9b	(12)	(39)
NET ASSETS		<u>5,838</u>	<u>5,544</u>
<b>EQUITY SHARE CAPITAL AND RESERVES</b>			
Called up share capital	11	17	17
Share premium account	12	4,082	4,072
Capital redemption reserve	12	5	5
Share based payment reserve	12	101	45
Foreign exchange reserves	12	8	(17)
Profit and loss account	12	1,625	1,422
SHAREHOLDERS' FUNDS	13	<u>5,838</u>	<u>5,544</u>

The financial statements were approved and authorised for issue by the Board on 22 January 2015 and are signed on its behalf by:



M Holland  
Director



P La Brooy  
Director

# Financial Express (Holdings) Limited

## COMPANY BALANCE SHEET

at 30 September 2014

Company Reg No. 3672592

	Notes	2014 £'000	2013 £'000
FIXED ASSETS			
Investments	5	7,417	7,262
Tangible assets	7	901	661
		<u>8,318</u>	<u>7,923</u>
Debtors	8	3,189	3,459
Cash at bank and in hand		1,349	1,199
		<u>4,538</u>	<u>4,658</u>
CREDITORS: amounts falling due within one year	9a	(7,843)	(7,360)
NET CURRENT LIABILITIES		<u>(3,305)</u>	<u>(2,702)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		5,013	5,221
CREDITORS: amounts falling due after more than one year	9b	(12)	(39)
NET ASSETS		<u>5,001</u>	<u>5,182</u>
EQUITY SHARE CAPITAL AND RESERVES			
Called up share capital	11	17	17
Share premium account	12	4,082	4,072
Capital redemption reserve	12	5	5
Share based payment reserve	12	101	45
Exchange Reserves	12	(16)	(16)
Profit and loss account	12	812	1,059
SHAREHOLDERS' FUNDS		<u>5,001</u>	<u>5,182</u>

The financial statements were approved and authorised for issue by the Board on 22 January 2015 and are signed on its behalf by:



M Holland  
Director



P La Brooy  
Director

**Financial Express (Holdings) Limited**  
**CONSOLIDATED CASH FLOW STATEMENT**  
for the year ended 30 September 2014

	<i>Notes</i>	2014 £'000	2013 £'000
NET CASH INFLOW FROM OPERATING ACTIVITIES	<i>15(a)</i>	2,992	3,018
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received		37	46
TAXATION			
Corporation tax paid		(718)	(159)
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	<i>15 (c)</i>	(1,179)	(722)
AQUISITIONS AND DISPOSALS			
Payment to acquire investment in associate	<i>15 (d)</i>	-	(585)
EQUITY DIVIDENDS PAID	<i>14</i>	(339)	(326)
Cash inflow before financing		<u>793</u>	<u>1,268</u>
FINANCING	<i>15 (e)</i>	(254)	(272)
Exchange differences		33	39
INCREASE IN CASH AT BANK		<u><u>572</u></u>	<u><u>1,035</u></u>

# Financial Express (Holdings) Limited

## ACCOUNTING POLICIES

for the year ended 30 September 2014

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### 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 and company 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
----------------	-------------

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 2014

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### 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 2014

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### 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 2014

### 1 TURNOVER

Turnover is wholly attributable to the principal activity of the group.

	2014 £'000	2013 £'000
Analysis of turnover by geographical destination		
United Kingdom	19,701	17,664
Rest of Europe	902	933
Rest of World	1,178	1,025
	<u>21,781</u>	<u>19,622</u>

### 2 OPERATING PROFIT

	2014 £'000	2013 £'000
Operating profit is stated after charging/(crediting):		
Depreciation of tangible assets - owned	536	375
- leased	29	27
Amortisation of intangible asset	445	328
Audit Services - Statutory audit of parent and consolidated accounts	22	29
- Audit of subsidiaries where such services are provided by Baker Tilly or its associates	28	30
Operating leases - land and buildings	972	918
- plant and equipment	75	10
Government grants receivable	(196)	(185)
Foreign exchange gain	(107)	(51)
Loss on disposal of tangible fixed asset	5	1
	<u></u>	<u></u>

### 3 DIRECTORS AND EMPLOYEES

	2014 £'000	2013 £'000
Staff costs including directors' emoluments		
Wages and salaries	11,443	9,897
Social security costs	1,044	918
Other pension costs	399	255
Share based payment charge	56	40
	<u>12,942</u>	<u>11,110</u>

Average number employed including executive directors

	Number	Number
Sales	39	34
Other	348	331
	<u>387</u>	<u>365</u>

Directors' Emoluments (including pension contributions)

	£'000	£'000
Fees paid to non-executive Directors	18	18
	<u>957</u>	<u>959</u>

# Financial Express (Holdings) Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2014

### 3 DIRECTORS AND EMPLOYEES (continued)

The emoluments of the highest paid director were £372,673 (2013: £372,860). The amount of £3,430 (2013: £nil) was paid as a pension payment to the defined contribution scheme on behalf of this director.

During the year, the group made pension contributions for two directors and contributions paid amounted to £61,287 (2013: two directors £62,002).

The highest paid director does not hold any share options thus none were exercised in the year (2013: 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 £399,246 (2013: £254,510).

4 TAXATION	2014 £'000	2013 £'000
<i>Analysis of charge in the period</i>		
Current tax - UK corporation tax on profits for the period	218	244
Adjustments in respect of prior periods	(75)	-
Foreign Taxation	180	176
	<u>322</u>	<u>420</u>
Deferred tax – origination and reversal of timing differences	3	(60)
	<u>325</u>	<u>360</u>
<i>Factors affecting tax charge in the period</i>		
Profit on ordinary activities before taxation	1,081	1,345
	<u>1,081</u>	<u>1,345</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 22% (2013 – 23.5%)	238	316
Expenses not deductible for tax purposes (primarily amortisation)	67	115
Differences between capital allowances and depreciation	6	11
Foreign Tax	155	176
Research and development tax credit	(61)	(89)
Short Term Timing differences and other deductions in period	(47)	(248)
Tax adjustment in relation of associate and joint venture	(25)	139
Other Adjustments (share scheme deduction)	(11)	-
	<u>322</u>	<u>420</u>
Current tax charge	<u>322</u>	<u>420</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 2014

### 5 FIXED ASSET INVESTMENTS

GROUP	Joint Ventures £'000	Associated Undertakings £'000	Unlisted Investments £'000	Total £'000
Share of net assets:				
1 October 2013	36	2,157	75	2,268
Share of retained profit/(loss) for the year	344	(459)	-	(115)
Investment Sprint Enterprise Ltd	-	-	5	5
Investment Square Mile Investment Consulting	-	-	150	150
Transfer from current amount with joint venture	8	-	-	8
Dividends received	(250)	-	-	(250)
30 September 2014	138	1,698	230	2,066
COMPANY		£'000	£'000	£'000
Cost of unlisted shares in unlisted associates, joint ventures and unlisted investments:				
1 October 2013		7,187	75	7,262
Investment Sprint Enterprise Technology Ltd		-	5	5
Investment Square Mile Investment Consulting		-	150	150
30 September 2014		7,187	230	7,417

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 as at 30<sup>th</sup> September 2014 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
Financial Express (Czechia) s.r.o.	Czech Republic	100%	Financial Information Services
FE Advisory Asia Ltd	Hong Kong	100%	Financial Information Services
eValue FE Ltd	England & Wales	38%	Financial Information Services
Financial Express Australia Pty Ltd	Australia	100%	Financial Information Services

The company also operates branches in Switzerland, Hong Kong, Singapore and Australia.

#### 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 and runs a service producing and distributing multi-lingual Key Investor Information Documents (Kiids).

GFR generated £1,904,000 of turnover for the year to 30 September 2014 (2013: £1,367,000) of which £883,000 (2013: £614,000) has been recognised in the group accounts under the gross equity method.

# Financial Express (Holdings) Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2014

### 5 FIXED ASSET INVESTMENTS (Continued)

£344,000 has been recognised in the consolidated profit and loss account as Financial Express (Holdings) Limited's share of GFR's profits for the year after tax to 30 September 2014 (2013: £145,000). The group's share of GFR's tax charge is £90,000 (2013: £49,000).

The group received a dividend of £250,000 (2013: £100,000) during the year from GFR.

As at 30 September 2014, GFR had net assets of £267,000 (2013: £72,000).

The intercompany creditor between the parent company and the joint venture amounts to £1,000 (2013: £100,000 debtor).

### ASSOCIATED COMPANY

The turnover for 12 months to 30<sup>th</sup> September 2014 for eValue FE was £3,728,000 (2013: £4,067,000) with a loss before tax of £1,708,000 (2013: £773,000). There was an associated taxation credit during the year of £526,000 (2013: £nil). eValue FE held fixed assets totalling £3,877,000 (2013: £4,835,000), with current assets totalling £3,009,000 (2013: £3,074,000). Creditors falling due within one year were £2,587,000 (2013: £2,885,000), and falling after one year £4,920,000 (2013: £4,608,000) resulting in net assets of £4,298,000 (2013: £5,024,000).

6	INTANGIBLE FIXED ASSETS	Data Histories £'000	Goodwill £'000	Development £'000	Total £'000
	GROUP				
	Cost				
	At 30 September 2013	179	4,644	628	5,451
	Additions	-	-	222	222
	At 30 September 2014	179	4,644	850	5,673
	Amortisation				
	At 30 September 2013	162	2,614	85	2,861
	Charge for the year	12	232	201	445
	At 30 September 2014	174	2,846	286	3,306
	Net book value				
	At 30 September 2014	5	1,798	564	2,367
	At 30 September 2013	17	2,030	543	2,590

The additions in the year to the development asset relate to a new product, Trustnet Direct which launched in March 2014.

# Financial Express (Holdings) Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2014

7	TANGIBLE FIXED ASSETS				
	GROUP	Computer equipment & software £'000	Fixtures, fittings and equipment £'000	Leasehold Improvements £'000	Total £'000
	Cost				
	At 30 September 2013	1,925	338	173	2,436
	Foreign exchange rate movements	(49)	(7)	(8)	(64)
	Additions	210	235	411	856
	Disposals	(252)	(121)	(36)	(409)
	At 30 September 2014	1,834	445	540	2,819
	Depreciation				
	At 30 September 2013	1,331	192	104	1,627
	Foreign exchange rate movements	(43)	(6)	(7)	(56)
	Charge for the year	344	111	110	565
	On disposals	(249)	(65)	(36)	(350)
	At 30 September 2014	1,383	232	171	1,786
	Net book value				
	At 30 September 2014	451	213	369	1,033
	At 30 September 2013	594	146	69	809
	COMPANY	Computer equipment & software £'000	Fixtures, fittings and equipment £'000	Leasehold improvements £'000	Total £'000
	Cost				
	At 30 September 2013	1,522	207	187	1,916
	Additions	92	231	340	663
	Disposals	(252)	(45)	(36)	(333)
	At 30 September 2014	1,362	393	491	2,246
	Depreciation				
	At 30 September 2013	1,035	129	91	1,255
	Charge for the year	245	99	72	416
	Disposals	(249)	(41)	(36)	(326)
	At 30 September 2014	1,031	187	127	1,345
	Net book value				
	At 30 September 2014	331	206	364	901
	At 30 September 2013	487	78	96	661

The net book amount of the group's and company's tangible fixed assets includes an amount of £67,000 (2013: £108,000) in respect of computer equipment and software held under finance leases. The amount of depreciation in respect of such assets amounted to £29,000 (2013: £27,000) for the year.

# Financial Express (Holdings) Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2014

8	DEBTORS: amounts falling within one year	GROUP		COMPANY	
		2014 £'000	2013 £'000	2014 £'000	2013 £'000
	Trade debtors	4,415	4,778	319	368
	Amounts due from joint venture	-	100	-	91
	Amounts due from subsidiary undertakings	-	-	1,678	1,907
	Other debtors	633	741	688	728
	Prepayments and accrued income	1,353	1,307	504	365
		<u>6,401</u>	<u>6,926</u>	<u>3,189</u>	<u>3,459</u>

Included within other debtors are interest bearing loans of £25,000 (2013: £58,000) 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 £86,000 (2013: £89,000). Included in the other debtors of the company is a deferred tax asset of £28,000 (2013: £52,000) see note 10.

9a	CREDITORS: amounts falling due within one year	GROUP		COMPANY	
		2014 £'000	2013 £'000	2014 £'000	2013 £'000
	Trade creditors	335	340	260	332
	Amounts owed to subsidiary undertakings	-	-	4,985	4,368
	Corporation tax	65	461	11	36
	Obligations under finance lease contracts	28	51	28	51
	Other taxes and social security	755	781	264	225
	Other creditors	336	383	119	50
	Accruals and deferred income	9,487	9,411	2,176	2,298
		<u>11,006</u>	<u>11,427</u>	<u>7,843</u>	<u>7,360</u>

In relation to the defined contribution pension scheme and included within other creditors, the group and company had outstanding contributions of £71,000 (2013: £47,000).

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 2014

### 9b CREDITORS: amounts falling due after more than one year

	GROUP		COMPANY	
	2014 £'000	2013 £'000	2014 £'000	2013 £'000
Obligations under finance lease contracts	12	39	12	39
	<u>12</u>	<u>39</u>	<u>12</u>	<u>39</u>

### Obligations under finance lease contracts Group and Company:

Between one and two years

Between two and five years

Falling due after more than one year

Repayable within one year

	2014 £'000	2013 £'000
Between one and two years	12	29
Between two and five years	-	10
Falling due after more than one year	<u>12</u>	<u>39</u>
Repayable within one year	<u>28</u>	<u>51</u>
	<u>40</u>	<u>90</u>

### 10 DEFERRED TAX

	GROUP		COMPANY	
	2014 £'000	2013 £'000	2014 £'000	2013 £'000
Corporation tax deferred by:				
Accelerated capital allowances	(27)	(42)	(14)	(42)
Other items	(59)	(47)	(14)	(10)
Deferred tax asset	<u>(86)</u>	<u>(89)</u>	<u>(28)</u>	<u>(52)</u>

The potential asset has been calculated on a corporation tax rate of 20% (2013: 20%).

### Deferred tax – movement in the year

	GROUP		COMPANY	
	2014 £'000	2013 £'000	2014 £'000	2013 £'000
At 30 September 2013	(89)	(5)	(52)	8
(Credit)/Charge to the profit and loss account	3	(84)	24	(62)
At 30 September 2014	<u>(86)</u>	<u>(89)</u>	<u>(28)</u>	<u>(52)</u>

# Financial Express (Holdings) Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2014

11	SHARE CAPITAL	2014 £	2013 £
	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		
	1,499,170 'A' ordinary shares of 1p each (2013: 1,511,670)	14,992	15,117
	147,522 'B' ordinary shares of 1p each (2013: 143,322)	1,475	1,433
	8,000 'C' ordinary shares of 1p each (2013: 8,000)	<u>80</u>	<u>80</u>
		16,547	16,630

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. The 'C' ordinary shares are entitled to vote, but only qualify for an entitlement of one hundredth of any dividend declared and only par value in the event of a sale.

During the year Financial Express (Holdings) Limited re-purchased 12,500 'A' shares for a total consideration of £176,000. Also, during the year 3,200 '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 as follows:

#### Under an EMI Scheme

Issue Date	30 Sept 2013	Exercised in year	Number of Options Granted in year	Lapsed	30 Sept 2014	Exercise Price
27/07/04	1,700	1,700	-	-	-	318.00p
22/05/07	13,287	1,500	-	2,000	9,787	289.04p
01/10/09	6,500	-	-	-	6,500	515.00p
01/01/13	88,304	-	-	-	88,304	1013.00p

#### Under an Unauthorised Scheme

19/02/13	10,600	-	-	1,100	9,500	1280.00p
30/09/13	6,291	-	-	-	6,291	1280.00p
30/09/13	700	-	-	-	700	1411.00p
30/09/14	-	-	22,750	-	22,750	1731.00p

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 2 to 3 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.



# Financial Express (Holdings) Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2014

### 11 SHARE OPTIONS (continued)

The inputs into the Black Scholes model were as follows:

Issue of options	Share price £	Volatility	Expected life	Dividend rate
01/01/13	10.13	35%	5 years	7.0%
19/02/13	12.80	35%	5 years	7.0%
30/09/13	12.80	35%	5 years	7.0%
30/09/14	14.11	35%	5 years	7.0%

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 a total expense of £56,000 (2013: £40,000) relating to equity-settled share-based payment transaction. The fair value of the options issued was estimated to be in the region of £173,000.

### 12 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 2013	5	4,072	45	(17)	1,422
Profit for the year	-	-	-	-	756
Dividend	-	-	-	-	(339)
Repurchase of shares	-	-	-	-	(214)
Shares issued in year	-	10	-	-	-
Other movements	-	-	56	25	-
Balance at 30 September 2014	5	4,082	101	8	1,625
COMPANY					
Balance at 30 September 2013	5	4,072	45	(16)	1,059
Profit for the year	-	-	-	-	306
Dividend	-	-	-	-	(339)
Repurchase of shares	-	-	-	-	(214)
Shares issued in year	-	10	-	-	-
Other movements	-	-	56	-	-
Balance at 30 September 2014	5	4,082	101	(16)	812

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.

# Financial Express (Holdings) Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2014

13	RECONCILIATION IN MOVEMENT IN SHAREHOLDERS' FUNDS – GROUP	2014 £'000	2013 £'000
	Profit after tax for the year	756	985
	Exchange Differences	25	(102)
	Equity dividends	(339)	(326)
	Repurchase of shares	(214)	(370)
	Issue of shares	10	132
	Share based payment	56	40
	Net addition to shareholders' funds	294	359
	Shareholders' funds as at 1 October 2013	5,544	5,185
	Shareholders' funds as at 30 September 2014	5,838	5,544
14	DIVIDENDS	2014 £'000	2013 £'000
	Interim - A ordinary shares 20.6 pence per share (2013: 20.6 pence)	309	297
	- B ordinary shares 20.6 pence per share (2013: 20.6 pence)	30	29
		339	326
15	CASH FLOW STATEMENT		
(a)	Reconciliation of operating profit to net cash inflow from operating activities	2014 £'000	2013 £'000
	Operating profit	1,159	1,469
	Dividends received from joint ventures	250	-
	Depreciation and amortisation charges	1,010	729
	Loss on disposal of fixed assets	5	1
	Share based payment charge	56	40
	Decrease/(increase) in debtors	514	(568)
	(Decrease)/increase in creditors	(2)	1,347
	Net cash inflow from operating activities	2,992	3,018
(b)	Reconciliation of net cash flow to movement in net funds	2014 £'000	2013 £'000
	Increase in cash in the period	572	1,035
	Cash flow from finance lease payments	50	34
	New finance leases	-	(43)
	Movement in net funds in the period	622	1,026
	Net funds at 1 October	4,327	3,301
	Net funds at 30 September	4,949	4,327

# Financial Express (Holdings) Limited

## NOTES TO THE FINANCIAL STATEMENTS

### for the year ended 30 September 2014

#### 15 CASH FLOW STATEMENT (*continued*)

(c)	Capital Expenditure & Financial Investment	2014 £'000	2013 £'000
	Purchase of tangible fixed asset	(856)	(348)
	Purchase of intangible fixed assets	(222)	(374)
	Sale of tangible fixed assets	54	-
	Purchase of fixed asset investments	(155)	-
	Net outflow for capital expenditure	<u>(1,179)</u>	<u>(722)</u>
(d)	Acquisition and disposal	2014 £'000	2013 £'000
	Investment in associate	-	(510)
	Acquisition of unlisted investment	-	(75)
	Net outflow for capital expenditure	<u>-</u>	<u>(585)</u>
(e)	Financing	2013 £'000	2013 £'000
	Shares issued in the year	10	132
	Repurchase of shares	(214)	(370)
	Capital element of finance lease rental	(50)	(34)
	Net outflow for financing	<u>(254)</u>	<u>(272)</u>
(f)	Analysis of changes in net funds	At 30 September 2013 £'000	Cash flow £'000
	Cash at bank and in hand	4,417	572
	Finance Leases	(90)	50
	Net funds	<u>4,327</u>	<u>622</u>
			At 30 September 2014 £'000
			4,989
			(40)
			<u>4,949</u>

# Financial Express (Holdings) Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2014

### 16 GUARANTEES AND OTHER FINANCIAL COMMITMENTS

As at 30 September 2013, the annual financial commitments under non-cancellable operating leases as set out below:

	GROUP		COMPANY	
	2014 Land and buildings £'000	2013 Land and buildings £'000	2014 Land and buildings £'000	2013 Land and buildings £'000
Expiring				
Less than one year	281	305	70	99
Within two to five years	519	414	466	362
	<u>800</u>	<u>719</u>	<u>536</u>	<u>461</u>
	GROUP		COMPANY	
	2014 Plant & Equipment £'000	2013 Plant & Equipment £'000	2014 Plant & Equipment £'000	2013 Plant & Equipment £'000
Expiring				
Less than one year	74	50	74	50
Within two to five years	10	16	10	16
	<u>84</u>	<u>66</u>	<u>84</u>	<u>66</u>

The company is a member of a VAT group and the net potential liability under the group registration as of 30 September 2014 was £563,000 (2013: £576,000).

During 2012 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 £75,000 for the year (2013: £34,000) and were charged directly to the profit and loss account.

### 17 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 £35,000 (2013: £75,000) to eValue FE Limited, an associate undertaking of the group, and received services of £30,000 (2013: £30,000). At 30 September 2014, £nil was owed to the group (2013: £11,000).

During the year, related party transactions occurred with Global Funds Registration. Software was sold by the group totalling £61,000 (2013: £33,000), and sales were contracted on behalf of Global Funds Registration Ltd for £138,000 (2013: £229,000). The group also provided sales support, hosting, customer support and related services totalling £181,000 (2013: £189,000). The amount outstanding at the year end was £nil (2013: £115,000).

# Financial Express (Holdings) Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2014

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### 17 RELATED PARTY TRANSACTIONS (*continued*)

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

	2014 £	2013 £
M Holland	94,436	94,436
A R B Ward	-	-
P W La Brooy	10,665	10,665
D Timberlake	18,226	18,226
B Graap	14,712	3,349