

Makinson Cowell Limited

Report and Group Financial Statements *June 30, 2011*

Davison and Shingleton
Chartered Accountants

THURSDAY



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COMPANIES HOUSE

MAKINSON COWELL LIMITEDDirectors

D G C Webster
H B Coates
R D Cowell
W J Jenks
M S MacBryde

Secretary

C A Watts

Auditors

Davison and Shingleton
Boundary House
91-93 Charterhouse Street
London
EC1M 6HR

Bankers

Barclays Bank PLC
1 Churchill Place
London
E14 5HP

Solicitors

Ashurst
Broadwalk House
5 Appold Street
London
EC2A 2HA

Registered Office

Cheapside House
138 Cheapside
London
EC2V 6LQ

MAKINSON COWELL LIMITED

GROUP DIRECTORS' REPORT

The directors present their report and the group financial statements for the year ended June 30, 2011

Company registration

The company is registered in England as company number 02363341

Business review and future developments

The group is an independent capital markets advisory firm, founded in 1989, which provides in-depth research and conflict-free advice to a wide range of companies based primarily in Europe. Its focus is on the link between those companies and their current and potential shareholders. Makinson Cowell Limited is authorised and regulated by the Financial Services Authority

The group has 66 (2010: 68) people in offices, in London and New York. Thorough quantitative analysis of companies and markets, a detailed understanding of institutional investors and market insight underpin advice to clients.

The client list includes companies with market capitalisations ranging from £130 million to £250 million at the smaller end to larger companies with market capitalisations over £70 billion. 60 or more were members of the Bloomberg Europe 500 index in each of the last two years.

The directors intend to continue the activities of the group in the provision of capital markets advice and may consider the introduction of related services.

The group is in the process of establishing a new subsidiary undertaking of Makinson Cowell Limited, Makinson Cowell France SAS, which will be based in Paris.

Performance

Turnover of the group for the year ended June 30, 2011 decreased by 8% compared to the turnover for the previous year. Income from projects and advisory fees decreased while income from retainers rose during the year.

The group financial statements include Makinson Cowell (US) Limited which operates via a branch based in New York and whose financial statements are stated in US\$. The average \$:£ exchange rate for the year was 1.5911 as against 1.5821 for the previous year.

Looked at over a number of years the group fully distributes profits as bonuses. For the year ended June 30, 2011 overheads were held in check and therefore bonuses largely reflected the decrease in income. Interest income increased by 22%. Both this year's and last year's tax charge reflects the application of marginal tax rates and a decrease in the deferred tax asset.

Capital expenditure during the year relates to minor computer hardware and software purchases.

At June 30, 2011 net liquid funds which are mainly driven by the timing of employee bonus payments, had decreased.

MAKINSON COWELL LIMITED

GROUP DIRECTORS' REPORT

(continued)

Dividends

The directors do not recommend the payment of a dividend in respect of the year

Financial position

At the end of the year the group's financial position was sound. Group net assets were £101,313 (2010 £110,344) and group's net current assets were £307,000 (2010 £269,801)

Supplier payment policy

Where the group agrees terms of payments with suppliers when entering into contracts, its policy is to meet its obligations accordingly. The group does not follow any specific published code or standard on payment practice.

At June 30, 2011, there were 27 days' (2010 21 days') purchases outstanding based on the total invoiced by suppliers during the year.

Directors

The directors of the company during the year were as follows.

D G C Webster
H B Coates
R D Cowell
W J Jenks
M S MacBryde

Employees

The partners who have senior roles meet with the directors regularly to monitor service and discuss marketing.

The group seeks to attract, retain and develop talented individuals. It gives full and fair consideration to all applicants with suitable aptitudes and abilities and to continuing the employment of anyone who becomes disabled. The group encourages training and has eleven employees working towards professional qualifications.

Donations

During the year the group made various charitable donations totalling £38,788 (2010 £37,565). Of these contributions, £33,788 (2010 £31,725) was donated via the Charities Aid Foundation as nominated by participants in market research interviews and a total of £5,000 (2010 £5,840) has been donated to various national and international charitable organisations sponsored or supported by the group.

MAKINSON COWELL LIMITED

GROUP DIRECTORS' REPORT

(continued)

Risk and uncertainties

The demand for capital markets advice is partly affected by factors such as economic and political conditions that may influence the extent and type of corporate transactions, money raising and other capital markets activity. The group operates in the Euro zone and North America and therefore is impacted by changes in the Euro £ and \$ £ exchange rates.

The wider market for professional advice to companies and stock market related services is competitive and changes in policies, practices or performance by other participants in these sectors may impact on the group. Part of the group's income arises from annual retainer agreements with clients, which may or may not be renewed. Success depends significantly on the skills of the group's employees and their relationships with our clients. The loss of the services of one or more key individuals may adversely affect performance.

Makinson Cowell Limited is authorised and regulated by the Financial Services Authority. Regulations may change affecting services provided to clients and the requirements placed on the company itself. While proper controls are in place, an employee may fail to observe the regulations relating to unpublished price sensitive information and market abuse. Such failure would damage the reputation of the business and attract sanctions.

The group plans for business continuity in the event of disasters such as terrorism or fire but nevertheless may be impacted by lack of access or damage to business premises or equipment.

Directors' responsibilities statement

The directors are responsible for preparing the directors' report and the group 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 financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the group and the profit or loss of the group for that period.

In preparing these financial statements, the directors are required to

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

MAKINSON COWELL LIMITEDGROUP DIRECTORS' REPORT

(continued)

Directors' responsibilities statement

(continued)

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 of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

So far as each director is aware, there is no information relevant to the audit of which the group's auditors are unaware. Each director has taken all steps that he or she ought to have taken as a director in order to make himself or herself aware of any information relevant to the audit and to establish that the group's auditors are aware of that information.

BY ORDER OF THE BOARD

A handwritten signature in black ink, appearing to be 'C A Watts', with a long horizontal flourish extending to the right.

C A Watts
Secretary

October 20, 2011



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MAKINSON COWELL LIMITED

We have audited the financial statements of Makinson Cowell Limited for the year ended June 30, 2011 which comprise the group profit and loss account, the group balance sheet, the company balance sheet, the group statement of total recognised gains and losses, the group cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the directors' responsibilities statement set out on pages 4 and 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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the group's and the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of affairs of the company and of the group as at June 30, 2011 and of the group's 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



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MAKINSON COWELL LIMITED
(continued)

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 group 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 company, or returns adequate for our audit have not been received from any branches not visited by us, or
- the 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

Amanda Shingleton
Senior Statutory Auditor
For and on behalf of Davison and Shingleton
Statutory Auditors

October 20, 2011

MAKINSON COWELL LIMITED**GROUP PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2011**

	<i>Notes</i>	2011 £	2010 £
Turnover	2	9,986,430	10,898,374
Cost of sales		(7,633,953)	(8,608,024)
Gross profit		2,352,477	2,290,350
Administrative expenses		(2,295,450)	(2,214,270)
Operating profit	3	57,027	76,080
Interest receivable	5	2,189	1,793
Interest payable	6	(6,882)	(4,117)
Profit on ordinary activities before tax		52,334	73,756
Tax on ordinary activities	7(a)	(55,661)	(63,353)
(Loss)/profit for the financial year	19	£(3,327)	£10,403

There were no acquisitions or discontinued operations during the current or preceding year

**GROUP STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED JUNE 30, 2011**

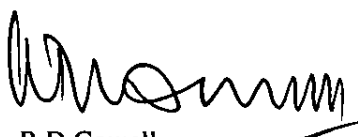
		2011 £	2010 £
(Loss)/profit for the financial year		(3,327)	10,403
Exchange difference on re-translation of net assets of subsidiary	19	(5,704)	(1,074)
Total recognised (deficit)/gain for the financial year		£(9,031)	£9,329

The notes on pages 12 to 27 form part of these financial statements

MAKINSON COWELL LIMITEDGROUP BALANCE SHEET AS AT JUNE 30, 2011

	Notes	£	2011 £	2010 £
Fixed assets.				
Tangible assets	9		40,537	76,332
Current assets				
Debtors	11	1,885,576		2,169,439
Cash at bank and in hand	13	805,184		1,456,309
		2,690,760		3,625,748
Creditors amounts falling due within one year	14	(2,383,760)		(3,355,947)
Net current assets			307,000	269,801
Total assets less current liabilities			347,537	346,133
Creditors amounts falling due after more than one year	15		(107,014)	(108,565)
Provision for liabilities and charges	17		(139,210)	(127,224)
			£101,313	£110,344
Capital and reserves				
Called up share capital	18		10,000	10,000
Investment in own shares	10(b)		(100,339)	(100,339)
Other reserve	19		14,815	20,519
Profit and loss account	19		176,837	180,164
Shareholders' funds	19		£101,313	£110,344

Approved and authorised for issue by the Board on
October 20, 2011 and signed on its behalf by



R D Cowell
Director

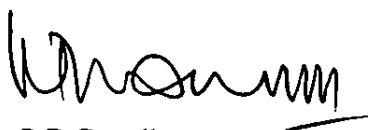


M S MacBryde
Director

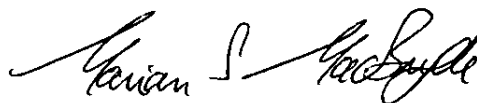
MAKINSON COWELL LIMITED**COMPANY BALANCE SHEET AS AT JUNE 30, 2011**

	<i>Notes</i>	£	2011 £	2010 £
Fixed assets				
Tangible assets	9		37,647	64,540
Investments	10(a)		6	6
			-----	-----
			37,653	64,546
Current assets.				
Debtors	11	1,576,171		1,780,891
Cash at bank and in hand		804,773		1,426,017
		-----		-----
		2,380,944		3,206,908
Creditors. amounts falling due within one year	14	(2,106,884)		(2,952,309)
		-----		-----
Net current assets			274,060	254,599
			-----	-----
Total assets less current liabilities			311,713	319,145
Creditors. amounts falling due after more than one year	15		(107,014)	(108,565)
Provision for liabilities and charges	17		(139,210)	(127,224)
			-----	-----
			£65,489	£83,356
			=====	=====
Capital and reserves.				
Called up share capital	18		10,000	10,000
Investment in own shares	10(b)		(100,339)	(100,339)
Profit and loss account	19		155,828	173,695
			-----	-----
Shareholders' funds	19		£65,489	£83,356
			=====	=====

Approved and authorised for issue by the Board on
October 20, 2011 and signed on its behalf by



R D Cowell
Director



M S MacBryde
Director

MAKINSON COWELL LIMITED**GROUP CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2011**

	<i>Notes</i>	£	2011 £	2010 £
Net cash (outflow)/inflow from operating activities	3(c)		(527,848)	418,057
Returns on investments and servicing of finance				
Interest received		1,841		1,852
Interest paid		(6,882)		(4,117)
		-----		-----
Net cash outflow from returns on investments and servicing of finance			(5,041)	(2,265)
Taxation			(84,987)	(42,210)
Capital expenditure and financial investment:				
Payments to acquire tangible fixed assets		(30,506)		(3,815)
		-----		-----
Net cash outflow from capital expenditure and financial investment			(30,506)	(3,815)
Financing:				
Capital element of finance lease rental payments		(1,289)		(114)
		-----		-----
Net cash outflow from financing			(1,289)	(114)
(Decrease)/increase in cash in the year	12		£(649,671)	£369,653
			=====	=====

The notes on pages 12 to 27 form part of these financial statements

MAKINSON COWELL LIMITED**NOTES TO THE FINANCIAL STATEMENTS AT JUNE 30, 2011****1 Accounting policies****Accounting convention and basis of preparation**

The financial statements are prepared under the historical cost convention and in accordance with applicable United Kingdom Accounting Standards.

The financial statements of the company, and therefore of the group, include the assets and liabilities of the employee benefit trust as a consequence of the company providing a guarantee for a bank loan to that trust

Basis of consolidation

The group financial statements consolidate the financial statements of Makinson Cowell Limited and its subsidiary undertakings

Makinson Cowell Trustee Limited and Makinson Cowell Group Pension Trustee Limited did not trade during the year, therefore the group profit and loss account reflects the trading results of Makinson Cowell Limited and Makinson Cowell (US) Limited.

No profit and loss account is presented for Makinson Cowell Limited as permitted by Section 408 of the Companies Act 2006

Revenue recognition

Revenue is recognised over the period of the client service contract except where it is wholly conditional on completion of a project

Depreciation

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost of each asset evenly over its expected useful life, as follows

Short leasehold improvements and decommissioning costs	-	over the lease term
Office equipment	-	over 5 years
Computer equipment and software	-	over 2 to 3 years

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying values may not be recoverable.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions that result in a future obligation to pay more tax, or a right to pay less tax, have occurred at the balance sheet date. Timing differences are differences between the group's profit as stated in the financial statements and its taxable profit, 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

MAKINSON COWELL LIMITEDNOTES TO THE FINANCIAL STATEMENTS AT JUNE 30, 2011

(continued)

1. Accounting policies
(continued)Deferred tax
(continued)

Deferred tax is measured at the average tax rates that are anticipated to apply in the periods in which the timing differences are expected to reverse. Deferred tax is measured on a non-discounted basis

Net deferred tax assets are regarded as recoverable, and therefore recognised, only to the extent that, on the basis of all available evidence, it is regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing difference can be deducted

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 during the year are recorded at the rate ruling at the date of transaction. All differences are taken to the profit and loss account

The functional currency of Makinson Cowell (US) Limited is the US dollar. On consolidation, the balance sheet is translated at the rate ruling at the balance sheet date. The profit and loss account and cash flow statement have been translated at the average rates. Differences on translation are shown in the Group Statement of Total Recognised Gains and Losses and are taken to reserves.

Leasing commitments

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the group, are capitalised in the balance sheet and are depreciated over their useful lives. The capital elements of future obligations under leases are included as liabilities in the balance sheet

The interest elements of the rental obligations are charged to the profit and loss account over the periods of the leases and represent a constant proportion of the balance of capital repayments outstanding

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the lease term

Pensions

During the year the group operated defined contribution money purchase pension schemes. The directors have individual defined contribution personal pension plans. Contributions in respect of the directors are charged to the profit and loss account as they become payable in accordance with the amounts agreed by the group with each individual director. Contributions for the UK and US employee schemes are charged to the profit and loss account as they become payable in accordance with the amounts agreed with each individual or with the rules of the scheme

MAKINSON COWELL LIMITEDNOTES TO THE FINANCIAL STATEMENTS AT JUNE 30, 2011

(continued)

2 Turnover

Turnover represents the amounts derived from the provision of services which fall within the group's ordinary activities, all of which are continuing, and is stated net of value added tax where applicable.

	2011 £	2010 £
Turnover by geographical area		
United Kingdom	7,905,759	8,960,901
United States	2,080,671	1,937,473
	<u>£9,986,430</u>	<u>£10,898,374</u>

The geographical analysis is based on where the service is provided

3 Operating profit

(a) This is stated after charging

	2011 £	2010 £
Auditors' remuneration - audit services	23,940	23,070
- non-audit services	27,626	17,038
Directors' remuneration (note 3(b))	1,574,705	2,499,558
Depreciation of owned fixed assets	63,481	95,606
Depreciation of assets held under finance leases	1,709	142
Loss on disposal of fixed assets	296	736
Operating lease rentals - plant and machinery	4,049	7,824
- land and buildings	430,265	440,115
- other	12,172	21,259
	<u>£1,574,705</u>	<u>£2,499,558</u>

(b) Directors' remuneration

	2011 £	2010 £
Remuneration	1,560,839	2,485,647
Group contributions paid to defined contribution money purchase pension schemes	13,866	13,911
	<u>£1,574,705</u>	<u>£2,499,558</u>

MAKINSON COWELL LIMITED**NOTES TO THE FINANCIAL STATEMENTS AT JUNE 30, 2011**

(continued)

3 Operating profit
(continued)

None of the directors held or exercised share options during the current or preceding year. None of the directors received or were entitled to receive shares under long term incentive schemes in either year.

Four (2010: four) of the directors are accruing benefits under defined contribution money purchase pension schemes.

The remuneration of the highest paid director, excluding pension, was £444,485 (2010: £755,034). The pension contributions made in respect of the highest paid director were £Nil (2010: £Nil).

(c) Reconciliation of operating profit to net cash (outflow)/inflow from operating activities

	2011 £	2010 £
Operating profit	57,027	76,080
Depreciation	65,190	95,748
Decrease/(increase) in debtors	226,367	(313,924)
(Decrease)/increase in creditors	(888,714)	547,431
Loss on disposal of tangible fixed assets	296	736
Increase in dilapidations provision	11,986	11,986
Net cash (outflow)/inflow from operating activities	£(527,848)	£418,057
	=====	=====

4 Staff costs

	2011 £	2010 £
Wages and salaries	6,305,373	7,322,166
Social security costs	678,663	765,500
Other pension costs	534,194	435,233
	£7,518,230	£8,522,899
	=====	=====

The average monthly number of employees during the year was made up as follows:

	2011 No	2010 No
Management and administration	66	68
	=====	=====

MAKINSON COWELL LIMITED**NOTES TO THE FINANCIAL STATEMENTS AT JUNE 30, 2011**
(continued)**5 Interest receivable**

	2011	2010
Bank interest receivable	£2,189	£1,793
	=====	=====

6 Interest payable

	2011 £	2010 £
Bank loan interest	5,057	4,117
Finance lease interest	1,204	-
Interest on late payment of tax	621	-
	-----	-----
	£6,882	£4,117
	=====	=====

7 Tax**(a) Tax on ordinary activities**

	2011 £	2010 £
Current tax		
UK corporation tax charge for the year	35,985	79,859
Adjustments in respect of prior periods	20	69
	-----	-----
	36,005	79,928
US local tax charge for the year	2,215	2,335
Adjustments in respect of prior periods	(166)	850
	-----	-----
Total current tax (note 7(b))	38,054	83,113
Deferred tax charge/(credit) (note 7(c))	17,607	(19,760)
	-----	-----
Tax on ordinary activities	£55,661	£63,353
	=====	=====

MAKINSON COWELL LIMITEDNOTES TO THE FINANCIAL STATEMENTS AT JUNE 30, 2011

(continued)

7 Tax

(continued)

(b) Factors affecting the current tax charge

The differences between the total current tax shown above and the amount calculated by applying the large companies rate of UK corporation tax to the profit before tax is as follows:

	2011 £	2010 £
Profit on ordinary activities before tax	52,334	73,756
	=====	=====
Profit on ordinary activities multiplied by the large companies rate of UK corporation tax of 27.5% (2010 28%)	14,392	20,652
Factors affecting the charge for the year		
Depreciation in excess of capital allowances	2,210	16,866
Change in pension and bonus accruals	(21,988)	12,944
Expenses not deductible for tax purposes	54,019	39,809
Loss on disposal of tangible fixed assets	81	206
Adjustments in respect of prior periods	(146)	919
US local tax charge	2,215	2,335
Exchange difference on foreign profit	(1,022)	(969)
Marginal rate relief	(11,707)	(9,649)
	-----	-----
Total current tax (note 7(a))	£38,054	£83,113
	=====	=====

MAKINSON COWELL LIMITEDNOTES TO THE FINANCIAL STATEMENTS AT JUNE 30, 2011

(continued)

7 Tax

(continued)

(c) Deferred tax

	2011 £	Group 2010 £	2011 £	Company 2010 £
Deferred tax asset movement during the year				
At July 1	41,111	20,230	28,714	9,444
Arising during the year (note 7(a))	(17,607)	19,760	(18,310)	19,270
Exchange adjustment	(866)	1,121	-	-
At June 30 (note 11)	<u>£22,638</u>	<u>£41,111</u>	<u>£10,404</u>	<u>£28,714</u>
	=====	=====	=====	=====
	2011 £	Group 2010 £	2011 £	Company 2010 £
The deferred tax asset comprises				
Depreciation in advance of capital allowances	12,678	13,116	10,404	11,513
Other timing differences	9,960	27,995	-	17,201
	<u>£22,638</u>	<u>£41,111</u>	<u>£10,404</u>	<u>£28,714</u>
	=====	=====	=====	=====

8 Profit attributable to the company

The loss dealt with in the financial statements of the parent company was £17,867 (2010 profit of £2,738)

MAKINSON COWELL LIMITED**NOTES TO THE FINANCIAL STATEMENTS AT JUNE 30, 2011**
(continued)**9 Tangible fixed assets**

<i>Group</i>	<i>Short leasehold improvements and decommissioning costs</i>	<i>Office equipment</i>	<i>Computer equipment and software</i>	<i>Total</i>
	£	£	£	£
Cost				
At July 1, 2010	202,945	156,380	497,008	856,333
Additions	-	380	30,126	30,506
Disposals	-	(17,495)	(19,953)	(37,448)
Exchange adjustment	(2,358)	(304)	(3,381)	(6,043)
At June 30, 2011	200,587	138,961	503,800	843,348
Depreciation				
At July 1, 2010	177,590	134,299	468,112	780,001
Provided during the year	23,672	8,077	33,441	65,190
Disposals	-	(17,495)	(19,657)	(37,152)
Exchange adjustment	(2,021)	(304)	(2,903)	(5,228)
At June 30, 2011	199,241	124,577	478,993	802,811
Net book value				
At June 30, 2011	£1,346	£14,384	£24,807	£40,537
At July 1, 2010	£25,355	£22,081	£28,896	£76,332

Included in office equipment is an amount of £8,543 (2010 £8,543) at cost less £1,851 (2010 : £142) of accumulated depreciation in respect of equipment acquired under finance leases

MAKINSON COWELL LIMITEDNOTES TO THE FINANCIAL STATEMENTS AT JUNE 30, 2011

(continued)

9 Tangible fixed assets
(continued)*Company*

	<i>Short leasehold improvements and decommissioning costs</i>	<i>Office equipment</i>	<i>Computer equipment and software</i>	<i>Total</i>
	£	£	£	£
Cost:				
At July 1, 2010	168,794	151,977	448,022	768,793
Additions	-	379	28,557	28,936
Disposals	-	(17,495)	(17,253)	(34,748)
At June 30, 2011	168,794	134,861	459,326	762,981
Depreciation				
At July 1, 2010	148,301	129,896	426,056	704,253
Provided during the year	20,493	8,076	26,964	55,533
Disposals	-	(17,495)	(16,957)	(34,452)
At June 30, 2011	168,794	120,477	436,063	725,334
Net book value				
At June 30, 2011	£Nil	£14,384	£23,263	£37,647
At July 1, 2010	£20,493	£22,081	£21,966	£64,540

Included in office equipment is an amount of £8,543 (2010 £8,543) at cost less £1,851 (2010 £142) of accumulated depreciation in respect of equipment acquired under finance leases

MAKINSON COWELL LIMITED**NOTES TO THE FINANCIAL STATEMENTS AT JUNE 30, 2011**

(continued)

10 Investments**(a) Investments in subsidiary undertakings***Company**Subsidiary
Undertakings*

Cost and net book value

At July 1, 2010 and at June 30, 2011

£ 6

Analysis of maturity of investments at July 1, 2010 and at June 30, 2011

Fixed asset investments

£ 6

The group and the company have investments in the following subsidiary undertakings

<i>Name of company</i>	<i>Country of incorporation</i>	<i>Holding</i>	<i>Proportion of voting rights and shares held</i>	<i>Nature of business</i>
Makinson Cowell (US) Limited	England	Ordinary shares	100%	Capital markets advice in the USA
Makinson Cowell Trustee Limited	England	Ordinary shares	100%	Corporate trustee of employee benefit trust
Makinson Cowell Group Pension Trustee Limited	England	Ordinary shares	100%	Corporate trustee of a previous employee pension scheme

(b) Investment in own shares*Group and company*

The investment in own shares comprises an investment in Makinson Cowell Limited by the employee benefit trust. The shares are held by the trust to facilitate the acquisition of shares in the company by or for the benefit of employees of Makinson Cowell Limited and its subsidiary undertakings. Options over 2,100 ordinary shares in the company have been granted to employees (note 18).

	<i>Ordinary shares No</i>	<i>Own shares at cost £</i>
At July 1, 2010 and at June 30, 2011	24,750	£100,339

MAKINSON COWELL LIMITEDNOTES TO THE FINANCIAL STATEMENTS AT JUNE 30, 2011

(continued)

11 Debtors

	2011 £	Group 2010 £	2011 £	Company 2010 £
Trade debtors	1,242,987	1,137,647	1,087,764	935,951
Amounts owed by group undertakings	-	-	-	42,699
Other debtors	52,713	52,961	10,846	7,644
Prepayments and accrued income	567,238	937,720	467,157	765,883
Deferred tax (note 7(c))	22,638	41,111	10,404	28,714
	<u>£1,885,576</u>	<u>£2,169,439</u>	<u>£1,576,171</u>	<u>£1,780,891</u>

Group Included within other debtors is an amount due after more than one year of £Nil (2010 £42,699).

Company Included within amounts owed by group undertakings is an amount due after more than one year of £Nil (2010 £42,699).

12 Reconciliation of group net cash flow to movement in group net funds

	2011 £	Group 2010 £
(Decrease)/increase in cash in the year	(649,671)	369,653
Changes in net funds resulting from cash flows	(649,671)	369,653
Exchange differences	(5,449)	(2,420)
Net funds at July 1	1,354,883	987,650
Net funds at June 30 (note 13)	<u>£669,763</u>	<u>£1,354,883</u>

13 Group net funds

Analysis of changes in group net funds during the year

	At July 1, 2010 £	Cash flows £	Exchange differences £	At June 30, 2011 £
Cash at bank and in hand	1,456,309	(645,676)	(5,449)	805,184
Bank overdraft (note 14)	-	(3,995)	-	(3,995)
Debt due after one year (note 15)	(101,426)	-	-	(101,426)
	<u>£1,354,883</u>	<u>£(649,671)</u>	<u>£(5,449)</u>	<u>£669,763</u>

MAKINSON COWELL LIMITED**NOTES TO THE FINANCIAL STATEMENTS AT JUNE 30, 2011**

(continued)

14 Creditors amounts falling due within one year

	2011	Group	2011	Company
	£	2010	£	2010
		£		£
Bank overdraft	3,995	-	-	-
Obligations under finance leases (note 16)	1,552	1,290	1,552	1,290
Trade creditors	183,511	138,151	163,268	113,318
Amounts owed to group undertakings	-	-	107,695	61,705
Corporate taxes	36,091	83,528	28,902	74,775
Other taxes and social security costs	923,756	571,187	923,756	571,187
Accruals and deferred income	1,234,855	2,561,791	881,711	2,130,034
	£2,383,760	£3,355,947	£2,106,884	£2,952,309
	=====	=====	=====	=====

15 Creditors amounts falling due after more than one year

	2011	Group	2011	Company
	£	2010	£	2010
		£		£
Obligations under finance leases (note 16)	5,588	7,139	5,588	7,139
Bank loan				
Wholly repayable within two to five years	101,426	101,426	101,426	101,426
	£107,014	£108,565	£107,014	£108,565
	=====	=====	=====	=====

The bank loan has been made to the employee benefit trust and is guaranteed by the company. As the company is the sponsor of the employee benefit trust and is providing a guarantee for the external borrowings of the trust, the liability has been recognised in the company's and therefore in the group's financial statements.

MAKINSON COWELL LIMITED**NOTES TO THE FINANCIAL STATEMENTS AT JUNE 30, 2011**
(continued)**16 Obligations under finance leases**

The maturity of these amounts is as follows

	2011 £	Group 2010 £	2011 £	Company 2010 £
Amounts payable				
within one year	2,494	2,494	2,494	2,494
in two to five years	6,859	9,353	6,859	9,353
	9,353	11,847	9,353	11,847
Less finance charges allocated to future periods	(2,213)	(3,418)	(2,213)	(3,418)
	£7,140	£8,429	£7,140	£8,429
Finance leases are analysed as follows:				
within one year (note 14)	1,552	1,290	1,552	1,290
in two to five years (note 15)	5,588	7,139	5,588	7,139
	£7,140	£8,429	£7,140	£8,429

The outstanding obligations under finance leases are secured on the assets being financed

17 Provisions for liabilities and charges*Group**Decommissioning
and dilapidations
£*

At July 1, 2010	127,224
Arising during the year	11,986
At June 30, 2011	£139,210

*Company**Decommissioning
and dilapidations
£*

At July 1, 2010	127,224
Arising during the year	11,986
At June 30, 2011	£139,210

MAKINSON COWELL LIMITEDNOTES TO THE FINANCIAL STATEMENTS AT JUNE 30, 2011

(continued)

17 Provisions for liabilities and charges
(continued)Decommissioning and dilapidations provision

The company's London lease provides that the premises are returned to the landlord in the same condition as when the lease commenced. Provision has therefore been made for the removal of the partitioning erected by the company and for general wear and tear. Professional advice has been taken in assessing the amounts.

18 Share capital

	2011	2010
<i>Allotted, called up and fully paid:</i>		
100,000 ordinary shares of 10p each	£10,000	£10,000
	=====	=====

Options

Options have been granted to certain group employees under approved and unapproved option schemes as follows

<i>Date of grant</i>	<i>No. of ordinary shares</i>	<i>Exercise price</i>	<i>Exercise period</i>
February 13, 2002	1,400	£Nil	From February 13, 2002 to February 13, 2012
October 16, 2003	700	£Nil	From October 16, 2003 to October 16, 2013

There have been no changes in the number of options exercisable during the current or preceding year. There are no performance conditions associated with the outstanding options which are exercisable on sale, flotation or change of ownership.

Included in accruals (note 14) is an amount of £8,317 (2010 £8,317) relating to the fair value of these options at the date of grant.

MAKINSON COWELL LIMITED**NOTES TO THE FINANCIAL STATEMENTS AT JUNE 30, 2011**

(continued)

19 Reconciliation of shareholders' funds and movements on reserves*Group*

	<i>Share capital £</i>	<i>Investment in own shares £</i>	<i>Other reserve £</i>	<i>Profit and loss account £</i>	<i>Total shareholders' funds £</i>
At July 1, 2010	10,000	(100,339)	20,519	180,164	110,344
Loss for the financial year	-	-		(3,327)	(3,327)
Exchange difference on re-translation of the net assets of subsidiary	-	-	(5,704)	-	(5,704)
At June 30, 2011	<u>£10,000</u>	<u>£(100,339)</u>	<u>£14,815</u>	<u>£176,837</u>	<u>£101,313</u>

Company

	<i>Share capital £</i>	<i>Investment in own shares £</i>	<i>Profit and loss account £</i>	<i>Total shareholders' funds £</i>
At July 1, 2010	10,000	(100,339)	173,695	83,356
Loss for the financial year (note 8)	-	-	(17,867)	(17,867)
At June 30, 2011	<u>£10,000</u>	<u>£(100,339)</u>	<u>£155,828</u>	<u>£65,489</u>

20 Pension commitments

The company made pension contributions during the current and preceding year to the following

- defined contribution personal pension schemes of certain of the directors. The company contributes to the schemes in respect of members at such rates as it agrees with the relevant directors. Each member has the option to pay additional voluntary contributions. The amount of these contributions and the intervals at which they are paid are agreed with the company, and
- a defined contribution group personal pension scheme covering the majority of the company's other UK permanent employees

During the year, contributions payable by the company amounted to £456,505 (2010 £361,447). The unpaid contributions outstanding at the year end included in accruals (note 14) were £Nil (2010 £65,552)

MAKINSON COWELL LIMITEDNOTES TO THE FINANCIAL STATEMENTS AT JUNE 30, 2011

(continued)

20 Pension commitments

(continued)

Makinson Cowell (US) Limited operates a 401(k) defined contribution pension plan. The assets of the scheme are held separately from those of the company in independently administered funds. During the year, contributions payable amounted to £77,689 (2010 £73,786). The unpaid contributions outstanding in respect of this scheme at the year end, included in accruals (note 14), were £49,797 (2010 £51,406).

21 Other financial commitments

Annual commitments under non-cancellable operating leases were as follows

Group

	<i>Land and buildings</i>	<i>Land and buildings</i>	<i>Other</i>	<i>Other</i>
	2011	2010	2011	2010
	£	£	£	£
Operating leases which expire				
within one year	335,952	-	740	728
within two to five years	-	460,300	15,252	11,877
	-----	-----	-----	-----
	£335,952	£460,300	£15,992	£12,605
	=====	=====	=====	=====

The group has contracts for communications and data services which at the year end committed the group to paying a further £75,792 (2010 £73,983) in the coming year

Company

	<i>Land and buildings</i>	<i>Land and buildings</i>	<i>Other</i>	<i>Other</i>
	2011	2010	2011	2010
	£	£	£	£
Operating leases which expire				
within one year	280,000	-	114	213
within two to five years	-	280,000	12,317	11,144
	-----	-----	-----	-----
	£280,000	£280,000	£12,431	£11,357
	=====	=====	=====	=====

The company has contracts for communications and data services which at the year end committed the company to paying a further £27,685 (2010 £27,414) in the coming year