

First Conferences Holdings Limited

Report and Accounts
30 June 2008

**Rees Pollock
Chartered Accountants**

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OFFICERS AND PROFESSIONAL ADVISERS

The Board of Directors	G H Grant J C Bodenham
Company Secretary	G H Grant
Registered Office	7-9 Fashion Street London E1 6PX
Auditor	Rees Pollock 35 New Bridge Street London EC4V 6BW
Bankers	Lloyds TSB Bank plc 4/6 Copthall Avenue London EC2R 7DA
Solicitors	Speechly Bircham 6 St Andrew Street London EC4A 3LX
Registered Number	03172417

DIRECTORS' REPORT

The directors present their report and the accounts of the group for the year ended 30 June 2008.

Principal Activities

First Conferences Holdings is a parent company and does not trade on its own account. The activities of its subsidiaries remain:

- The research, organisation and promotion of business to business conferences and tradeshow
- The production and distribution of business information and intelligence
- The provision of event management technology and services

The Directors do not anticipate any major changes to core activities in the coming year.

Headline Financial Results

Continued performance improvements across the subsidiaries resulted in another record year for the group.

- The number of events produced across the Group was up by 23%. This is slightly smaller increase than in recent years, but a good result given the number of new markets entered successfully during the year
- Revenues rose by 21.57% from [£] 9,145,547 to 11,118,667
- Turnover per employee was £88k, significantly lower than the historical norm but commensurate with ongoing investment in new staff and long-term projects
- The group Gross Profit Margin came in at 29.6%, a significant improvement over the expected and temporary deterioration reported in 2007
- In real terms* net profits were up by 264% on the previous year to £866,791

** A loss of £1,161,645 was shown in the accounts for the year ending 2007. This was due to an accounting treatment which saw £1.4 million transferred from the company Employee Benefits Trust into a number of Sub Trusts.*

The directors have not recommended the payment of a dividend.

Business review

In recent years the company has sought to proactively diversify its activities in terms of the industries served, the geographical markets operated in and the information products offered.

This approach remains core to future expansion plans and continues to drive both investment strategy and operational focus.

The encouraging 2008 results reflect the ongoing success of this strategy with significant positive contributions from a number of substantial brand new events, in hitherto untapped industries, as well as first contributions from a raft of business information products that are being evaluated at this time.

Divisions worthy of special recognition for delivering the most significant gains in terms of financial performance and brand development include the Pharmaceutical / Healthcare, Travel and Energy teams.

DIRECTORS' REPORT

Although it is too early to anticipate the outcome of a number of the product innovations being trialled, the directors are confident that significant progress is being made towards establishing distinct and defensible offerings that will deliver real competitive advantage in the medium term.

2008 was also a year of where significant time and money was invested in establishing firm foundations for sustainable growth in the future.

Considerable attention was paid to developing technological infrastructure, working best practices, recruitment and training processes, management capabilities and, most importantly, the refinement of opportunity identification and evaluation efforts

The progress made, although not complete, constitutes a step change in the company's development and will ensure, market conditions permitting, that growth can be accelerated considerably in coming years.

Trading Outlook

The worsening economic climate presents significant challenges to all companies in the year ahead. However, the Directors feel that preparations for tougher trading conditions across the Group were begun earlier than at many organisations and, subsequently, that the subsidiaries are well positioned to respond to many of the challenges ahead.

In addition to proactive and decisive preparations, the international customer base, the diverse nature of the industries served and the pre-eminent brand positions held in many markets gives the Group an innate stability lacking at organisations with a narrower and less prominent portfolio.

Although growth is likely to slow in the year ahead, with some of the subsidiaries facing more considerable challenges than others, the Directors believe, market conditions permitting, that the Group will continue to develop and expand in the medium term.

Results and dividends

The group profit for the year, after taxation, amounted to £866,791. Particulars of dividends paid are detailed in note 19 to the accounts.

Directors

The directors who served the company during the year were as follows:

G H Grant
J C Bodenham

Directors' responsibilities

The directors are responsible for preparing the annual report and the accounts in accordance with applicable law and regulations.

Company law requires the directors to prepare accounts for each financial year. Under that law the directors have elected to prepare the accounts in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The accounts are required by law to give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that year. In preparing these accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;

DIRECTORS' REPORT

- make judgements and estimates that are reasonable and prudent;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the group and enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the persons who is a director at the date of approval of this annual report confirms that:

- in so far as they are aware there is no relevant audit information of which the group's auditor is unaware; and
- they have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Donations

During the year the company made the following contributions:

	2008	2007
	£	£
Charitable	<u>1,348</u>	<u>1,331</u>

Auditor

Rees Pollock have expressed their willingness to continue in office.

ON BEHALF OF THE BOARD



G H Grant
Director

29 April 2009



REES POLLOCK

Chartered Accountants

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London EC4V 6BW
Telephone 020 7778 7200
Fax 020 7329 6408
www.reespollock.co.uk

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF FIRST CONFERENCES HOLDINGS LIMITED

We have audited the group and parent company accounts ("the accounts") of First Conferences Holdings Limited for the year ended 30 June 2008 on pages 6 to 18, which have been prepared on the basis of the accounting policies set out on pages 11 to 12.

This report is made solely to the company's shareholders, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

The directors' responsibilities for preparing the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the accounts. In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the group's and company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

Opinion

In our opinion:

- the accounts give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the group's and the parent company's affairs as at 30 June 2008 and of the group's profit for the year then ended;
- the accounts have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the accounts.

Rees Pollock
Chartered Accountants & Registered Auditors
30 April 2009

First Conferences Holdings Limited

CONSOLIDATED PROFIT AND LOSS ACCOUNT
for the year ended 30 June 2008

	Note	2008 £	2007 £
GROUP TURNOVER	2	11,118,667	9,145,547
Cost of sales		7,827,600	6,950,159
GROSS PROFIT		3,291,067	2,195,388
Administrative expenses		2,280,066	3,441,627
Other operating income	3	(255,948)	(50,000)
OPERATING PROFIT/(LOSS)	4	1,266,949	(1,196,239)
Interest receivable	7	112,587	112,285
Amounts written off investments	8	(60,000)	–
Interest payable and similar charges	9	(237)	(1,748)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		1,319,299	(1,085,702)
Tax on profit/(loss) on ordinary activities	10	452,508	75,943
PROFIT/(LOSS) FOR THE FINANCIAL YEAR	11	866,791	(1,161,645)

All of the activities of the group are classed as continuing.

The group has no recognised gains or losses other than the results for the year as set out above.

The company has taken advantage of section 230 of the Companies Act 1985 not to publish its own profit and loss account.

The notes on pages 11 to 18 form part of these accounts.

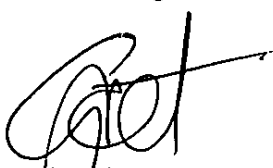
First Conferences Holdings Limited

GROUP BALANCE SHEET

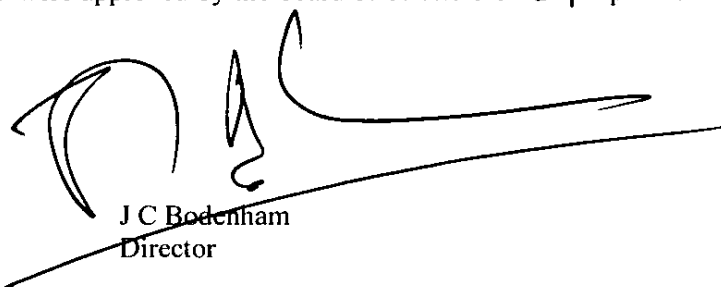
at 30 June 2008

	Note	£	2008 £	2007 £
FIXED ASSETS				
Tangible assets	12		358,572	393,528
Investments	13		—	—
			<u>358,572</u>	<u>393,528</u>
CURRENT ASSETS				
Debtors	14	2,143,494		1,834,866
Cash at bank		4,114,137		2,639,739
		<u>6,257,631</u>		<u>4,474,605</u>
CREDITORS: amounts falling due within one year	16	<u>4,049,688</u>		<u>2,662,289</u>
NET CURRENT ASSETS			2,207,943	1,812,316
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>2,566,515</u>	<u>2,205,844</u>
CAPITAL AND RESERVES				
Called-up equity share capital	19		44,540	44,540
Share premium account	20		268,313	268,313
Other reserves	20		(414,958)	(414,958)
Profit and loss account	20		2,668,620	2,307,949
SHAREHOLDERS' FUNDS	21		<u>2,566,515</u>	<u>2,205,844</u>

The financial statements on pages 5 to 17 were approved by the board of directors on 29 April 2009 and are signed on its behalf by:



G H Grant
Director



J C Bodenham
Director

The notes on pages 11 to 18 form part of these accounts.

First Conferences Holdings Limited

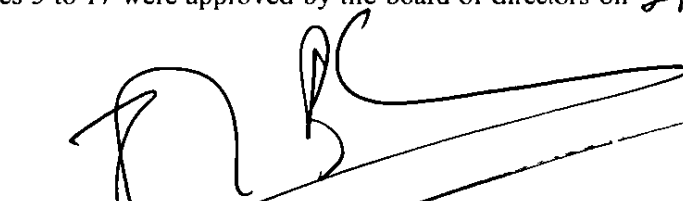
BALANCE SHEET

at 30 June 2008

	Note	£	2008 £	2007 £
FIXED ASSETS				
Investments	13		<u>1,606,876</u>	<u>1,606,876</u>
CURRENT ASSETS				
Debtors	14	378,844		389,308
Cash at bank		<u>190,264</u>		<u>735,175</u>
		569,108		1,124,483
CREDITORS: amounts falling due within one year	16	<u>9,995</u>		<u>—</u>
			559,113	1,124,483
TOTAL ASSETS			<u>2,165,989</u>	<u>2,731,359</u>
CAPITAL AND RESERVES				
Called-up equity share capital	19		44,540	44,540
Share premium account	20		268,313	268,313
Other reserves	20		(414,958)	(414,958)
Profit and loss account	20		<u>2,268,094</u>	<u>2,833,464</u>
SHAREHOLDERS' FUNDS			<u>2,165,989</u>	<u>2,731,359</u>

The financial statements on pages 5 to 17 were approved by the board of directors on 29 April 2009 and are signed on its behalf by:


G H Grant
Director


J C Bodenham
Director

The notes on pages 11 to 18 form part of these accounts.

First Conferences Holdings Limited

GROUP CASH FLOW STATEMENT
for the year ended 30 June 2008

	Note	£	2008 £	2007 £
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES			2,175,863	(1,134,184)
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE				
Interest received		112,587		112,285
Interest paid		(237)		(1,748)
NET CASH INFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			112,350	110,537
TAXATION			(72,624)	(284,341)
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT				
Payments to acquire tangible fixed assets		(175,071)		(183,640)
NET CASH OUTFLOW FOR CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT			(175,071)	(183,640)
ACQUISITIONS AND DISPOSALS	13		(60,000)	–
EQUITY DIVIDENDS PAID			(506,120)	(82,682)
INCREASE/(DECREASE) IN CASH			<u>1,474,398</u>	<u>(1,574,310)</u>
RECONCILIATION OF OPERATING PROFIT/(LOSS) TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES				
			2008 £	2007 £
Operating profit/(loss)			1,206,949	(1,196,239)
Amounts written off investments			60,000	–
Amortisation			–	1,067
Depreciation			210,027	158,189
Increase in debtors			(308,628)	(590,424)
Increase in creditors			1,007,515	493,223
Net cash inflow/(outflow) from operating activities			<u>2,175,863</u>	<u>(1,134,184)</u>

The notes on pages 11 to 18 form part of these accounts.

First Conferences Holdings Limited

GROUP CASH FLOW STATEMENT *(continued)*

for the year ended 30 June 2008

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2008 £	2007 £
Increase/(Decrease) in cash in the period	1,474,398	(1,574,310)
Movement in net funds in the period	1,474,398	(1,574,310)
Net funds at 1 July 2007	2,639,739	4,214,049
Net funds at 30 June 2008	4,114,137	2,639,739

ANALYSIS OF CHANGES IN NET FUNDS

	At 1 Jul 2007 £	Cash flows £	At 30 Jun 2008 £
Net cash:			
Cash in hand and at bank	2,639,739	1,474,398	4,114,137
Net funds	2,639,739	1,474,398	4,114,137

The notes on pages 11 to 18 form part of these accounts.

NOTES TO THE ACCOUNTS

for the year ended 30 June 2008

1. ACCOUNTING POLICIES

Basis of accounting

The accounts have been prepared under the historical cost convention, and in accordance with applicable accounting standards.

Basis of consolidation

The consolidated accounts incorporate the accounts of the company and all group undertakings. These are adjusted, where appropriate, to conform to group accounting policies. Acquisitions are accounted for under the acquisition method and goodwill on consolidation is capitalised and written off over ten years from the year of acquisition. The results of companies acquired or disposed of are included in the profit and loss account after or up to the date that control passes respectively. As a consolidated profit and loss account is published, a separate profit and loss account for the parent company is omitted from the group accounts by virtue of section 230 of the Companies Act 1985.

Turnover

The turnover shown in the profit and loss account represents the value of services provided during the year, stated net of value added tax. Turnover on conferences is recognised on commencement of the conference. All other income is recognised when invoiced.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Office equipment	– 25% straight line
Computer equipment	– 25% straight line

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Deferred taxation

Deferred taxation is provided on all timing differences, without discounting, calculated at the rate at which it is estimated that tax will be payable, except where otherwise required by accounting standards.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

NOTES TO THE ACCOUNTS

for the year ended 30 June 2008

1. ACCOUNTING POLICIES *(continued)*

Employee share ownership trust & employee benefit trust

The costs incurred by the company in the setting up and maintenance of the employee share ownership trust and employee benefit trust are charged to the profit and loss account in the period in which they are incurred. Assets and liabilities of the trust are identified within the company according to the class of asset they represent.

The costs of acquiring and the proceeds from the disposal of shares held by the trust are recognised within the profit and loss account in the period to which they relate.

2. TURNOVER

The directors consider that it would be seriously prejudicial to the interests of the group to disclose information regarding turnover.

3. OTHER OPERATING INCOME

	2008	2007
	£	£
Other operating income	255,948	50,000

4. OPERATING PROFIT/(LOSS)

Operating profit/(loss) is stated after charging/(crediting):

	2008	2007
	£	£
Amortisation	—	1,067
Depreciation of owned fixed assets	210,027	158,189
Auditor's remuneration		
– as auditor	24,200	28,850
Operating lease costs:		
Land and buildings	147,403	140,805
Net (profit)/loss on foreign currency translation	(164,490)	104,197

5. PARTICULARS OF EMPLOYEES

The average number of staff employed by the group during the financial year amounted to:

	2008	2007
	No	No
Number of business administration staff	27	24
Number of conference organisation, support and marketing staff	95	77
Number of management staff	4	2
	126	103

The aggregate payroll costs of the above were:

	2008	2007
	£	£
Wages and salaries	3,667,791	4,509,254
Social security costs	480,396	341,718
	4,148,187	4,850,972

NOTES TO THE ACCOUNTS

for the year ended 30 June 2008

6. DIRECTORS' EMOLUMENTS

The directors' aggregate emoluments in respect of qualifying services were:

	2008	2007
	£	£
Emoluments receivable	<u>146,949</u>	<u>1,453,750</u>

7. INTEREST RECEIVABLE

	2008	2007
	£	£
Bank interest receivable	101,816	107,831
Interest on cash held by employee benefit trust	10,771	4,454
	<u>112,587</u>	<u>112,285</u>

8. AMOUNTS WRITTEN OFF INVESTMENTS

	2008	2007
	£	£
Amounts written off investments	<u>60,000</u>	<u>—</u>

9. INTEREST PAYABLE AND SIMILAR CHARGES

	2008	2007
	£	£
Interest payable on bank borrowing	<u>237</u>	<u>1,748</u>

10. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2008	2007
	£	£
Current tax:		
UK Corporation tax based on the results for the year at 28%		
(2007 – 30%)	452,508	75,943
Total current tax	<u>452,508</u>	<u>75,943</u>

NOTES TO THE ACCOUNTS

for the year ended 30 June 2008

10. TAXATION ON ORDINARY ACTIVITIES (continued)**(b) Factors affecting current tax charge**

The tax assessed on the profit/(loss) on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 28% (2007 – 30%).

	2008 £	2007 £
Profit/(loss) on ordinary activities before taxation	1,319,299	(1,085,702)
Profit/(loss) on ordinary activities by rate of tax	369,404	(328,067)
Effects of:		
Expenses not allowable for tax purposes	30,594	423,368
Difference between depreciation and capital allowances	11,261	(3,121)
Utilisation of tax losses from previous periods	18,200	(10,148)
Marginal Relief	–	(6,089)
Change of tax rate	23,049	–
Total current tax (note 9(a))	452,508	75,943

11. LOSS ATTRIBUTABLE TO MEMBERS OF THE PARENT COMPANY

The loss dealt with in the accounts of the parent company was £59,250 (2007: £45,673).

12. TANGIBLE FIXED ASSETS

Group	Office equipment £	Office equipment £	Computer equipment £	Total £
Cost				
At 1 July 2007	107,954	119,169	1,213,021	1,440,144
Additions	16,704	15,715	142,652	175,071
At 30 June 2008	124,658	134,884	1,355,673	1,615,215
Depreciation				
At 1 July 2007	75,947	106,525	864,144	1,046,616
Charge for the year	23,430	9,220	177,377	210,027
At 30 June 2008	99,377	115,745	1,041,521	1,256,643
Net book value				
At 30 June 2008	25,281	19,139	314,152	358,572
At 30 June 2007	32,007	12,644	348,877	393,528

NOTES TO THE ACCOUNTS for the year ended 30 June 2008

13. INVESTMENTS

Company	Investment in participating interests £	Investment in group companies £	Total £
Cost			
At 1 July 2007	–	10,000	10,000
Additions	60,000	–	60,000
Amounts written off in year	(60,000)	–	(60,000)
At 30 June 2008	–	10,000	10,000
Loans			
At 1 July 2006 and 30 June 2007	–	1,596,876	1,596,876
Net book value			
At 30 June 2008	–	1,606,876	1,606,876
At 30 June 2007	–	1,606,876	1,606,876

Subsidiary undertakings

Details of the unlisted investments in which the company holds more than 20% of the nominal value of any class of share capital are as follows:

<i>Name of Company</i>	<i>Country of Registration</i>	<i>Holding</i>	<i>Proportion Held</i>	<i>Nature of Business</i>
First Conferences Limited	UK registrations	Ordinary shares	100%	Conference
Event Advantage Solutions Limited	UK registrations	Ordinary shares	100%	Conference

14. DEBTORS

	2008 £	Group 2007 £	2008 £	Company 2007 £
Trade debtors	1,556,223	1,315,848	–	–
Amounts owed by group undertakings	–	–	378,844	389,308
Other debtors	68,162	67,040	–	–
Prepayments and accrued income	519,109	451,978	–	–
	<u>2,143,494</u>	<u>1,834,866</u>	<u>378,844</u>	<u>389,308</u>

Included under amounts owed by group undertakings is £378,844 (2007: £389,308) which is due after more than one year. Included in other debtors is £nil (2007: £39,939) for rent deposits due after more than one year.

NOTES TO THE ACCOUNTS
for the year ended 30 June 2008
15. CASH

Included within group cash balances is £171,918 (2007: £253,157) of cash held within an employee benefit trust. In accordance with UITF 32 this cash is shown as an asset of the group.

16. CREDITORS: amounts falling due within one year

	2008	Group 2007	2008	Company 2007
	£	£	£	£
Trade creditors	374,439	435,423	—	—
Other creditors including taxation:				
Corporation tax	455,827	75,943	—	—
Other taxation	952,090	592,992	—	—
Other creditors	349,411	—	9,995	—
Accruals and deferred income	1,917,921	1,557,931	—	—
	<u>4,049,688</u>	<u>2,662,289</u>	<u>9,995</u>	<u>—</u>

17. COMMITMENTS UNDER OPERATING LEASES

At 30 June 2008 the group had annual commitments under non-cancellable operating leases as set out below:

Group	Land and buildings	
	2008	2007
	£	£
Operating leases which expire:		
Within 1 year	156,274	—
Within 2 to 5 years	—	117,091
	<u>156,274</u>	<u>117,091</u>

18. RELATED PARTY TRANSACTIONS

During the year expenses of £2,243,641 were recharged to Eyefortravel Limited, a company under common control, and expenses of £1,672,846 were recharged by Eyefortravel Limited. At the end of the year an amount of £329,416 was due to this group, which is included within other creditors.

NOTES TO THE ACCOUNTS

for the year ended 30 June 2008

19. SHARE CAPITAL

Authorised share capital:

	2008	2007
	£	£
44,500 A shares of £0.50 each	22,250	22,250
44,500 B shares of £0.50 each	22,250	22,250
955,500 C shares of £1 each	955,500	955,500
	<u>1,000,000</u>	<u>1,000,000</u>

Allotted, called up and fully paid:

	2008		2007	
	No	£	No	£
A shares of £0.50 each	40,500	20,250	40,500	20,250
B shares of £0.50 each	40,500	20,250	40,500	20,250
C shares of £1 each	4,040	4,040	4,040	4,040
	<u>85,040</u>	<u>44,540</u>	<u>85,040</u>	<u>44,540</u>

Assets

The A share assets are all the assets of the company other than the issued share capital of First Conferences Limited.

Income

The B and C shares rank pari passu for dividends accrued in respect of or derived from the issued share capital of First Conferences Limited. The A shareholders are entitled to receive dividends accrued in respect of or derived from the A share assets.

Capital

The holders of the A shares are entitled to any surplus received by the company on a winding up by the company. The holders of the B and C shares are entitled only to any surplus received by the company on realisation of the issued share capital of First Conferences Limited.

Voting

The A shares do not carry a right to vote. The B and C shares each carry the right to one vote for each share held.

NOTES TO THE ACCOUNTS
 for the year ended 30 June 2008
20. RESERVES

Group	Share premium account £	Other reserves £	Profit and loss account £
Balance brought forward	268,313	(414,958)	2,307,949
Profit for the year	—	—	866,791
Equity dividends	—	—	(506,120)
Balance carried forward	<u>268,313</u>	<u>(414,958)</u>	<u>2,668,620</u>

Company	Share premium account £	Other reserves £	Profit and loss account £
Balance brought forward	268,313	(414,958)	2,833,464
Loss for the year	—	—	(59,250)
Equity dividends	—	—	(506,120)
Balance carried forward	<u>268,313</u>	<u>(414,958)</u>	<u>2,268,094</u>

Included in other reserves, in accordance with UITF 38, are payments made by The First Conferences Limited Employee Benefit Trust ('the trust') to acquire shares in First Conferences Holdings Limited. The trust makes such payments to facilitate ownership and transfer of shares by employees of the group. At the balance sheet date, the trust held 3,214 (2007: 3,199) ordinary shares in First Conference Holdings Limited. All dividends are waived by the trust. No shares are under option to employees.

21. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2008 £	2007 £
Profit/(loss) for the financial year	866,791	(1,161,645)
Equity dividends	(506,120)	(82,682)
Net addition/(reduction) to shareholders' funds	<u>360,671</u>	<u>(1,244,327)</u>
Opening shareholders' funds	2,205,844	3,450,171
Closing shareholders' funds	<u>2,566,515</u>	<u>2,205,844</u>

22. ULTIMATE CONTROLLING COMPANY

In the opinion of the directors there is no ultimate controlling party.