

# **FC Business Intelligence Holdings Limited**

Report And Financial Statements

*31 December 2010*



Rees Pollock  
Chartered Accountants

COMPANY INFORMATION

<b>Directors</b>	G H Grant J C Bodenham P Latimer M T Ambler T Webb
<b>Company secretary</b>	G H Grant
<b>Company number</b>	03172417
<b>Registered office</b>	7-9 Fashion Street London E1 6PX
<b>Auditors</b>	Rees Pollock 35 New Bridge Street London EC4V 6BW
<b>Bankers</b>	Lloyds TSB Bank plc 4/6 Copthall Avenue London EC2R 7DA
<b>Solicitors</b>	Speechly Bircham 6 New Street Square London EC4A 3LX

## DIRECTORS' REPORT

For the year ended 31 December 2010

The directors present their report and the financial statements for the year ended 31 December 2010

### Principal activities

The principal activity of the company during the period was research, organisation and promotion of business to business conferences and tradeshow and the provision of business information and intelligence. The directors do not anticipate any major change to the core activities in the coming year.

### Business review

Underlying company strategy remained relevant and effective throughout 2010, as a result no fundamental changes to FC's approach were made during the year.

Careful product and geographical diversification were, again, key to growth and expansion. Very good progress was made by all divisions to this end.

Operational focus during the period can be broadly categorised as having focused on

- The strengthening of brand position in more mature business areas
- Developing and growing newer divisions
- Increasing penetration in emerging geographies
- Careful scaling of information product teams

Technological infrastructure, working best practices, recruitment and training processes continued to receive close attention and improvements were delivered across all these key areas.

Results were, across the board, in-line with or above forecasts and all divisions are to be commended on their performance during what was a very successful year.

Significantly, plans for supporting longer-term growth were developed and buy-in from all stakeholders secured. The implementation of required structures and recruitment of associated staff was initiated towards the end of the year and will continue throughout 2011.

The Directors are confident that the changes that have been implemented, together with those that are planned will ensure the company can continue to deliver strong performance throughout its next growth phase. However, the process is expected to last between 12 to 18 months. During this time margins will be temporarily affected.

### Headline Financial Results

Continued performance improvements across the organisation resulted in a record 12 months for the company.

- 9.5% more events were run world-wide than in same 12 months the previous year.
- Revenue for the year was £18,237,741, 33.3% higher than for the same 12 month period in the previous year.
- The Gross Profit Margin came in at 39.6% representing a significant increase in the margin compared to the recent years. The main reason for this improvement was the elimination of low margin events, the strengthening of established events and the introduction of new products.
- The net profit for the period after taxation, amounted to £3,935,949 (6 months ended 30 Dec 2010 - £19,027,249. Of that £18,836,760 related to an exceptional item that is explained fully in Note 21. The underlying numbers for that period, excluding the exceptional items, showed a net profit of £515,140 after tax). For 2010 this resulted in a margin of 21.5% compared to 8.85% in the previous period.

## **DIRECTORS' REPORT**

For the year ended 31 December 2010

### **Trading Outlook**

The Directors recognise that very significant global economic uncertainty is likely to remain the primary challenge facing the company for the foreseeable future. Whilst FC's track record in dealing with difficult market conditions is strong, the Directors anticipate a slowing of growth during 2011.

Significant efforts are already underway to ensure that the company is well prepared should market conditions worsen, with risk being managed proactively to ensure on-going stability and continued growth potential.

New structures and staff are being put in place to ensure that the company can press home advantage on competitors as well as to ensure that growth can be accelerated significantly as and when markets rebound.

### **People**

Our aim is to continue to attract and retain the best people by valuing their contributions and enhancing their careers, while providing ample opportunities for them to excel and connect with the company. This year we focused improving our training and embedding best practice, further raising the talent and capability levels across the business. The Directors would like to thank all employees for their huge contribution to the excellent results.

### **Results**

The profit for the year, after taxation, amounted to £3,935,949 (2009 - £19,027,249).

### **Directors**

The directors who served during the year were

G H Grant  
J C Bodenham  
P Latimer (appointed 23 March 2010)  
M T Ambler (appointed 23 March 2010)  
T Webb (appointed 23 March 2010)

### **Directors' responsibilities statement**

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group and of 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 judgments and estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

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

**DIRECTORS' REPORT**

For the year ended 31 December 2010

**Exceptional items**

During the year the group applied to the Courts to set aside certain contributions made to an Employee Benefit Trust in December 2003. This application was accepted on 18 March 2010 and the assets previously held by the Employee Benefit Trust arising from the historic contributions were returned to the group. As a result of the outcome of the Court case, these financial statements include an exceptional amount of £1,838,918 (2009 £18,836,760) representing £nil (2009 £17,621,991) of Trust assets not previously recognised and £1,838,918 (2009 £1,214,859) of income relating to the period.

During the year these assets were transferred out of FC Business Intelligence Holdings Limited after allowing for any related corporation tax. Cash and assets of £9,287,782 (see note 22) were distributed to shareholders by dividend and assets totalling £11,711,325 were transferred to FC JB Co Limited, a group company. The intention is to demerge FC JB Co Limited from the group and it is expected that this will take place shortly after the signing of these financial statements.

**Provision of information to auditors**

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company and the group's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company and the group's auditors in connection with preparing their report and to establish that the company and the group's auditors are aware of that information.

**Auditors**

The auditors, Rees Pollock, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 17 October 2011 and signed on its behalf



G H Grant  
Director



# REESPOLLOCK

*Chartered Accountants*

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## INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF FC BUSINESS INTELLIGENCE HOLDINGS LIMITED

We have audited the group and parent company financial statements (the "financial statements") of FC Business Intelligence Holdings Limited for the year ended 31 December 2010, set out on pages 5 to 22. 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, 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 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 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 parent 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 the group's and the parent company's affairs as at 31 December 2010 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 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.

Jonathan Munday (Senior statutory auditor)  
for and on behalf of  
Rees Pollock, Statutory Auditor

18 October 2011

**CONSOLIDATED PROFIT AND LOSS ACCOUNT**

For the year ended 31 December 2010

		<b>31 December 2010 £</b>	<b>6 months ended 31 December 2009 £</b>
	<b>Note</b>		
<b>TURNOVER</b>	1,2	18,237,741	5,823,161
Cost of sales		(11,000,288)	(3,754,136)
<b>GROSS PROFIT</b>		7,237,453	2,069,025
Administrative expenses		(4,241,418)	(1,439,038)
Other operating income	3	166,052	85,486
<b>OPERATING PROFIT</b>	4	3,162,087	715,473
<b>EXCEPTIONAL ITEMS</b>			
Trust assets not previously recognised		-	17,621,901
Trust investment income and gains in the year		1 838,918	1,214,859
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST</b>		5,001,005	19,552,233
Interest receivable and similar income	7	12,729	8,700
Interest payable and similar charges	8	(4,346)	(3,974)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		5,009,388	19,556,959
Tax on profit on ordinary activities	9	(1,073,439)	(529,710)
<b>PROFIT FOR THE FINANCIAL YEAR</b>	20	3,935,949	19,027,249

All amounts relate to continuing operations

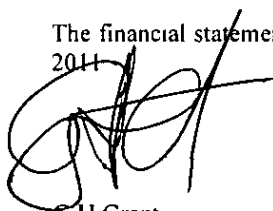
There were no recognised gains and losses for 2010 or 2009 other than those included in the Profit and Loss Account

The notes on pages 9 to 22 form part of these financial statements

**CONSOLIDATED BALANCE SHEET**  
As at 31 December 2010

	Note	£	2010 £	£	2009 £
<b>FIXED ASSETS</b>					
Tangible assets	10		295,631		201,799
Investments	11		-		8,409,035
			<u>295,631</u>		<u>8,610,834</u>
<b>CURRENT ASSETS</b>					
Debtors	13	13,853,637		4,125,282	
Cash in hand		<u>6,040,679</u>		<u>15,172,718</u>	
		19,894,316		19,298,000	
<b>CREDITORS</b> , amounts falling due within one year	15	<u>(6,808,224)</u>		<u>(5,572,942)</u>	
<b>NET CURRENT ASSETS</b>			13,086,092		13,725,058
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>13,381,723</u>		<u>22,335,892</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	19		44,949		44,361
Share premium account	20		367,601		268,313
Other reserves	20		(366,364)		(364,152)
Profit and loss account	20		<u>13,335,537</u>		<u>22,387,370</u>
<b>SHAREHOLDERS' FUNDS</b>	21		<u>13,381,723</u>		<u>22,335,892</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 17 October 2011



G H Grant  
Director

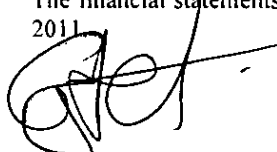
The notes on pages 9 to 22 form part of these financial statements



COMPANY BALANCE SHEET  
As at 31 December 2010

	Note	£	2010 £	£	2009 £
<b>FIXED ASSETS</b>					
Investments	11		1,606,876		1,606,876
<b>CURRENT ASSETS</b>					
Debtors	13	11,846,756		320,740	
Cash in hand		168,911		190,576	
		<u>12,015,667</u>		<u>511,316</u>	
<b>CREDITORS</b> , amounts falling due within one year	15	(1,453,055)		(10,174)	
<b>NET CURRENT ASSETS</b>			<u>10,562,612</u>		<u>501,142</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>12,169,488</u>		<u>2,108,018</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	19		44,949		44,361
Share premium account	20		367,601		268,313
Other reserves	20		(366,364)		(364,152)
Profit and loss account	20		<u>12,123,302</u>		<u>2,159,496</u>
<b>SHAREHOLDERS' FUNDS</b>	21		<u>12,169,488</u>		<u>2,108,018</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 17 October 2011



G H Grant  
Director

The notes on pages 9 to 22 form part of these financial statements

**CONSOLIDATED CASH FLOW STATEMENT**

For the year ended 31 December 2010

		<b>31 December 2010 £</b>	<b>6 months ended 31 December 2009 £</b>
	<b>Note</b>		
Net cash flow from operating activities	23	(1,437,552)	10,420,348
Returns on investments and servicing of finance	24	8,383	8,700
Taxation		(2,169,028)	-
Capital expenditure and financial investment	24	(252,245)	(58,281)
Equity dividends paid		(5,279,385)	-
<b>CASH (OUTFLOW)/INFLOW BEFORE FINANCING</b>		<b>(9,129,827)</b>	<b>10,370,767</b>
Financing	24	(2,212)	-
<b>(DECREASE)/INCREASE IN CASH IN THE YEAR</b>		<b>(9,132,039)</b>	<b>10,370,767</b>

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT**

For the year ended 31 December 2010

	<b>31 December 2010 £</b>	<b>6 months ended 31 December 2009 £</b>
(Decrease)/Increase in cash in the year	(9,132,039)	10,370,767
<b>MOVEMENT IN NET DEBT IN THE YEAR</b>	<b>(9,132,039)</b>	<b>10,370,767</b>
Net funds at 1 January 2010	15,172,718	4,801,951
<b>NET FUNDS AT 31 DECEMBER 2010</b>	<b>6,040,679</b>	<b>15,172,718</b>

The notes on pages 9 to 22 form part of these financial statements

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2010

### 1 ACCOUNTING POLICIES

#### 1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards

#### 1.2 Going Concern

The directors are satisfied that the group has adequate resources to meet its liabilities as they fall due for a period of at least 12 months from the date of approval of these accounts, and so they have prepared these accounts on a going concern basis

#### 1.3 Basis of consolidation

The financial statements consolidate the accounts of FC Business Intelligence Holdings Limited and all of its subsidiary undertakings (see note 12) except for FC JB Co Limited. There are severe long-term restrictions upon the ability of the Group to exercise control or dominant influence over FC JB Co Limited because the intention is to demerge that subsidiary as described in note 26. Accordingly the results of FC JB Co Limited have been excluded from these financial statements

#### 1.4 Turnover

Turnover comprises revenue recognised by the company in respect of services supplied during the year, exclusive of Value Added Tax

Turnover on conferences is recognised on commencement of the conference. All other income is recognised when invoiced

#### 1.5 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 of fixed assets, less their estimated residual value, over their expected useful lives on the following bases

Office and computer equipment      -      25% straight line

#### 1.6 Operating leases

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

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2010

### 1 ACCOUNTING POLICIES (continued)

#### 1.7 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse

Deferred tax assets and liabilities are not discounted

#### 1.8 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction

Exchange gains and losses are recognised in the profit and loss account

#### 1.9 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 company to disclose information regarding turnover

### 3 OTHER OPERATING INCOME

	31 December 2010 £	6 months ended 31 December 2009 £
Other operating income	166,052	85,486

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2010

## 4 OPERATING PROFIT

The operating profit is stated after charging/(crediting)

	31 December 2010 £	6 months ended 31 December 2009 £
Depreciation of tangible fixed assets		
- owned by the group	158,413	101,936
Auditors' remuneration	28,000	29,450
Operating lease rentals		
- other operating leases	185,105	99,614
Difference on foreign exchange	(74,009)	72,519
	<u>          </u>	<u>          </u>

## 5 STAFF COSTS

Staff costs, including directors' remuneration, were as follows

	31 December 2010 £	6 months ended 31 December 2009 £
Wages and salaries	6 784,941	2,059,203
Social security costs	752,914	230,761
	<u>          </u>	<u>          </u>
	7,537,855	2,289,964
	<u>          </u>	<u>          </u>

The average monthly number of employees, including the directors, during the year was as follows

	31 December 2010 No	6 months ended 31 December 2009 No
Number of business administration staff	28	23
Number of conference organisation, support and marketing staff	97	95
	<u>          </u>	<u>          </u>
	125	118
	<u>          </u>	<u>          </u>

## 6 DIRECTORS' REMUNERATION

	31 December 2010 £	6 months ended 31 December 2009 £
Emoluments	820,608	173,750
	<u>          </u>	<u>          </u>

The highest paid director received remuneration of £441,315 (2009 - £141,250)

**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 December 2010

**7 INTEREST RECEIVABLE**

	<b>31 December 2010 £</b>	<b>6 months ended 31 December 2009 £</b>
Other interest receivable	12,729	8,700

**8 INTEREST PAYABLE**

	<b>31 December 2010 £</b>	<b>6 months ended 31 December 2009 £</b>
On bank loans and overdrafts	4,346	-
Other interest payable	-	3,974
	4,346	3,974

**9 TAXATION**

	<b>31 December 2010 £</b>	<b>6 months ended 31 December 2009 £</b>
<b>Analysis of tax charge in the year/period</b>		
<b>Current tax (see note below)</b>		
UK corporation tax charge on profit for the year/period	1,423,308	588,871
Adjustments in respect of prior periods	(257,935)	(18,203)
	1,165,373	570,668
Group taxation relief	(5,094)	(40,958)
<b>Total current tax</b>	1,160,279	529,710
<b>Deferred tax (see note 16)</b>		
Origination and reversal of timing differences	(86,840)	-
<b>Tax on profit on ordinary activities</b>	1,073,439	529,710

**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 December 2010

**9 TAXATION (continued)**

**Factors affecting tax charge for the year/period**

The tax assessed for the year differs from that calculated using the standard rate of corporation tax in the UK of 28% (2009 - 28%) The differences are explained below

	<b>31 December 2010 £</b>	<b>6 months ended 31 December 2009 £</b>
Profit on ordinary activities before tax	5,009,388	19,556,959
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2009 - 28%)	1,402,629	5,475,949
<b>Effects of.</b>		
Expenses not deductible for tax purposes	65,724	4,043
Difference between depreciation and capital allowances	(10,310)	7 000
Trust assets recognised in the year already taxed	-	(4 934 132)
Dividend from UK companies not taxable	(778)	(4 947)
Adjustments in respect of prior periods	(257,935)	(18,203)
Short term timing difference leading to an increase (decrease) in taxation	95,119	-
Indexation relief	(102,520)	-
Utilisation of losses	(29,838)	-
Effects of subsidiary profit charged at small companies rate	(1,812)	-
<b>Current tax charge for the year/period (see note above)</b>	<b>1,160,279</b>	<b>529,710</b>

**10 TANGIBLE FIXED ASSETS**

	<b>Office and computer equipment £</b>
<b>Group</b>	
<b>Cost</b>	
At 1 January 2010	904,497
Additions	252,245
At 31 December 2010	1,156,742
<b>Depreciation</b>	
At 1 January 2010	702,698
Charge for the year	158,413
At 31 December 2010	861,111
<b>Net book value</b>	
At 31 December 2010	295,631
At 31 December 2009	201,799

**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 December 2010

**11 FIXED ASSET INVESTMENTS**

<b>Group</b>	<b>Listed investments £</b>	<b>Unlisted investments £</b>	<b>Total £</b>
<b>Cost</b>			
At 1 January 2010	8,248,197	160,838	8,409,035
Net additions	62,672	-	62,672
Disposals	(8,310,869)	(160,838)	(8,471,707)
At 31 December 2010	-	-	-
<b>Net book value</b>			
At 31 December 2010	-	-	-
At 31 December 2009	8,248,197	160,838	8,409,035

**Listed investments**

The market value of the listed investments at 31 December 2010 was £NIL (2009 - £8,248,197)

<b>Company</b>	<b>Investments in subsidiary companies £</b>	<b>Listed investments £</b>	<b>Unlisted investments £</b>	<b>Total £</b>
<b>Cost or valuation</b>				
At 1 January 2010	1,606,876	-	-	1,606,876
Disposals	-	(8,310,869)	(160,838)	(8,471,707)
Transfers intra group	-	8,310,869	160,838	8,471,707
At 31 December 2010	1,606,876	-	-	1,606,876

Details of the subsidiary undertakings can be found under note number 12

**12 SUBSIDIARY UNDERTAKINGS**

<b>Company name</b>	<b>Country</b>	<b>Percentage Shareholding</b>	<b>Nature of business</b>
FC Business Intelligence Limited	UK	100%	Conference registrations
FC Expo Services Limited	UK	100%	Conference registrations
FC JB Co Limited	UK	100%	Investment company
FC GG Co Limited	UK	100%	Dormant



**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 December 2010

**13 DEBTORS**

	<b>Group</b>		<b>Company</b>	
	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade debtors	1,394,365	1,364,984	-	-
Amounts owed by group undertakings	11,711,325	-	11,711,325	320,740
Other debtors	301,538	2,430,418	135,431	-
Prepayments and accrued income	359,569	329,880	-	-
Deferred tax asset (see note 16)	86,840	-	-	-
	<b>13,853,637</b>	<b>4,125,282</b>	<b>11,846,756</b>	<b>320,740</b>

Included under amounts owed by group undertakings is £320,740 (30 June 2009 £306,228) which is due after more than one year

Included within group other debtors is £nil (2009 £2,209,120) of assets held as a result of the Court decision described in note 26

The amount of £11,711,325 due to the group from group undertakings relates to a loan of assets to FC JB Co Limited as detailed in note 26 FC JB Co Limited's balance sheet has not been consolidated into these financial statements for the reasons given in note 13

**14 CASH**

Included within group cash balances is £468,550 (2009 £9,599,993) of cash held within an employee benefit trust In accordance with UITF 32 this cash is shown as an asset of the group

**15 CREDITORS**

**Amounts falling due within one year**

	<b>Group</b>		<b>Company</b>	
	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade creditors	280,323	177,123	-	-
Amounts owed to group undertakings	-	-	1,438,443	-
Corporation tax	1,006,232	2,079,559	-	-
Social security and other taxes	879,270	751,277	-	-
Other creditors	169,835	9,907	14,612	10,174
Accruals and deferred income	4,472,564	2,555,076	-	-
	<b>6,808,224</b>	<b>5,572,942</b>	<b>1,453,055</b>	<b>10,174</b>

Included within the group corporation tax liability is £567,876 (2009 £1,228,330) relating to income and gains on assets held as a result of the Court decision described in note 26

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2010

## 16 DEFERRED TAXATION

	<b>Group</b>		<b>Company</b>	
	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
At beginning of year/period	-	-	-	-
Recognised during the year	86,840	-	-	-
At end of year/period	86,840	-	-	-

The deferred taxation balance is made up as follows

	<b>Group</b>	
	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
General provisions	86,840	-

## 17 OPERATING LEASE COMMITMENTS

At 31 December 2010 the Group had annual commitments under non-cancellable operating leases as follows

	<b>Land and buildings</b>	
<b>Group</b>	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
<b>Expiry date:</b>		
Within 1 year	129,115	-
Between 2 and 5 years	50,000	181,640

## 18 RELATED PARTY TRANSACTIONS

During the period, expenses of £963,200 (2009 £569,275) were recharged to Eyefortravel Limited, a company under common control. At the end of the year an amount of £136,493 (2009 £160,684 owed to) was owed by the group, which is included in other creditors (2009 other debtors).

The group was charged £203,811 (2009 £30,194) for consultancy services by FC Business Intelligence Inc, a company under common control registered in the United States of America. Interest-free loans were advanced to this company during the year of £114,255 (2009 NIL). At the balance sheet date, £114,255 (2009 £NIL) was owed by this company and is included within other debtors.

At the year end the company was owed £58,621 by P Latimer and £41,255 by M T Ambler, both of whom are directors.

During the year the following dividends were paid to directors

	<b>2010</b>
	<b>£</b>
G H Grant	11,460,342
J C Bodenham	1,372,560
P Latimer	65,612
M T Ambler	40,601

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2010

### 19 SHARE CAPITAL

	2010 £	2009 £
<b>Allotted, called up and fully paid</b>		
20,250 A1 shares of £0.50 each	10,125.00	10,125.00
20,250 A2 shares of £0.50 each	10,125.00	10,125.00
20,250 G shares of £0.50 each	10,125.00	10,125.00
20,250 J shares of £0.50 each	10,125.00	10,125.00
5,036 (2009 - 3,861) B shares of £0.50 each	2,518.00	1,930.50
3,861 Deferred shares of £0.50 each	1,930.50	1,930.50
	<u>44,949</u>	<u>44,361</u>

On 3 November 2010 the company issued a total of 1,175 ordinary B shares for a total consideration of £99,876 to M T Ambler and P Latimer, both of whom are directors

#### Voting

The G and J shares do not carry a right to vote. The A1, A2 and B shares each carry the right to one vote for each share held.

#### Income

The holders of the A1, A2, and B shares are entitled to receive dividends distributed in respect of ordinary share assets.

The holders of the G and J shares are entitled to receive dividends distributed in respect of G and J share assets respectively. The holders of the G and J shares are not entitled to any further distribution of the profits of the group.

#### Capital

The holders of the A1, A2, and B shares are entitled to the amount received by the company on realisation of ordinary share assets.

The holders of the G and J shares are entitled to the amount received by the company on realisation of G share assets and J share assets respectively.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2010

20 RESERVES

Group	Share premium account £	Other reserves £	Profit and loss account £
At 1 January 2010	268,313	(364,152)	22,387,370
Profit for the year			3,935,949
Dividends Equity capital			(12,987,782)
Premium on shares issued during the year	99,288		
Movement on other reserves		(2,212)	
At 31 December 2010	367,601	(366,364)	13,335,537

Included in other reserves, in accordance with UITF 38, are payments made by The FC Business Intelligence Employee Benefit Trust ('the trust') to acquire shares in FC Business Intelligence 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 1,755 (2009: 1,755) ordinary shares in FC Business Intelligence Limited. All dividends are waived by the trust. No shares are under option to employees.

Company	Share premium account £	Other reserves £	Profit and loss account £
At 1 January 2010	268,313	(364,152)	2,159,496
Profit for the year			22,951,588
Dividends Equity capital			(12,987,782)
Premium on shares issued during the year	99,288		
Movement on other reserves		(2,212)	
At 31 December 2010	367,601	(366,364)	12,123,302

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2010

## 21 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2010	2009
Group	£	£
Opening shareholders' funds	22,335,892	3,257,837
Profit for the year	3,935,949	19,027,249
Dividends (Note 22)	(12,987,782)	-
Shares issued during the year/period	588	-
Share premium on shares issued (net of expenses)	99,288	-
Movement on other reserves	(2,212)	50,806
Closing shareholders' funds	13,381,723	22,335,892

	2010	2009
Company	£	£
Opening shareholders' funds	2,108,018	2,093,531
Profit/(loss) for the year	22,951,588	(36,319)
Dividends (Note 22)	(12,987,782)	-
Shares issued during the year/period	588	-
Share premium on shares issued (net of expenses)	99,288	-
Movement on other reserves	(2,212)	50,806
Closing shareholders' funds	12,169,488	2,108,018

The company has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own Profit and loss account

The profit/(loss) for the year/period dealt with in the accounts of the company was £22,951,588 (2009 - £-36,319)

**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 December 2010

**22 DIVIDENDS**

	<b>31 December 2010 £</b>	<b>6 months ended 31 December 2009 £</b>
<b>A1 shares</b>		
Cash dividend paid	1,372,560	-
<b>A2 shares</b>		
Cash dividend paid	2,172,560	-
<b>B shares</b>		
Cash dividend paid	154,880	-
<b>G shares</b>		
Dividends in specie of assets	7,708,397	-
Cash dividend paid	1,579,385	-
	9,287,782	-
	12,987,782	-

**23 NET CASH FLOW FROM OPERATING ACTIVITIES**

	<b>31 December 2010 £</b>	<b>6 months ended 31 December 2009 £</b>
Operating profit	3,162,087	715,473
Exceptional items	1,429,236	9,446,935
Depreciation of tangible fixed assets	158,413	101,936
Increase in debtors	(38,025)	(191,815)
Increase in amounts owed by group undertakings	(8,657,494)	-
Increase in creditors	2,508,231	297,013
Movement in other creditors that relates to non-cash change in other reserves	-	50,806
<b>Net cash (outflow)/inflow from operating activities</b>	<b>(1,437,552)</b>	<b>10,420,348</b>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2010

24 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	31 December 2010 £	6 months ended 31 December 2009 £
<b>Returns on investments and servicing of finance</b>		
Interest received	12,729	8,700
Interest paid	(4,346)	-
	<u>8,383</u>	<u>8,700</u>
<b>Net cash inflow from returns on investments and servicing of finance</b>	<u>8,383</u>	<u>8,700</u>
	31 December 2010 £	6 months ended 31 December 2009 £
<b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	(252,245)	(58,281)
	<u>(252,245)</u>	<u>(58,281)</u>
	31 December 2010 £	6 months ended 31 December 2009 £
<b>Financing</b>		
Purchase of EBT shares	(2,212)	-
	<u>(2,212)</u>	<u>-</u>

25 ANALYSIS OF CHANGES IN NET DEBT

	1 January 2010 £	Cash flow £	Other non-cash changes £	31 December 2010 £
Cash at bank and in hand	15,172,718	(9,132,039)	-	6,040,679
<b>Net funds</b>	<u>15,172,718</u>	<u>(9,132,039)</u>	<u>-</u>	<u>6,040,679</u>

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2010

### 26 EXCEPTIONAL ITEMS

During the year the group applied to the Courts to set aside certain contributions made to an Employee Benefit Trust in December 2003. This application was accepted on 18 March 2010 and the assets previously held by the Employee Benefit Trust arising from the historic contributions were returned to the group. As a result of the outcome of the Court case, these financial statements include an exceptional amount of £1,838,918 (2009 £18,836,760) representing £nil (2009 £17,621,991) of Trust assets not previously recognised and £1,838,918 (2009 £1,214,859) of income relating to the period.

During the year these assets were transferred out of FC Business Intelligence Holdings Limited after allowing for any related corporation tax. Cash and assets of £9,287,782 (see note 22) were distributed to shareholders by dividend and assets totalling £11,711,325 were transferred to FC JB Co Limited, a group company. The intention is to demerge FC JB Co Limited from the group and it is expected that this will take place shortly after the signing of these financial statements.

### 27 CONTROLLING PARTY

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