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LUMESSE LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2011

Company Registration Number 3879877

LUMESSE LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2011

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LUMESSE LIMITED
COMPANY INFORMATION
YEAR ENDED 31 DECEMBER 2011

The board of directors	D Love M Parker K Symonds
Business address	475 The Boulevard Capability Green Luton LU1 3LU
Registered office	475 The Boulevard Capability Green Luton LU1 3LU
Auditor	Ernst & Young LLP Apex Plaza Reading RG1 1YE
Bankers	HSBC plc 12a North Street Guildford Surrey GU1 4AF

LUMESSE LIMITED
THE DIRECTORS' REPORT
YEAR ENDED 31 DECEMBER 2011

The directors present their report and the financial statements of the company for the year ended 31 December 2011

Company change of name

On 4 May 2011 the company name, formerly Stepstone Solutions (UK) Limited, changed to Lumesse Limited

Principal activities and business review

The principal activity of the company continued to be the design and provision of talent management solutions

Economic conditions continued to be difficult in 2011 but the turnover of the company in 2011 has been on a par with 2010. The directors are confident in their outlook for the future and have continued to make significant investment in the company's infrastructure, staff and products in anticipation of further growing the business. Along with the rest of the Group, the company also rebranded in 2011, launching the fresh bright Lumesse image.

Despite the cost of this continuing investment the company has reported operating results £1.1m ahead of last year at a profit before Exceptional items of £341k compared to a loss of £796k in 2010. Management expect to report a strong operating profit in 2012.

At the year end, the company had a shareholders' deficit and net current liabilities. However, the directors consider the company's position to be satisfactory as the company held positive cash and bank balances at the year end and revenue forecasts for 2012 are healthy. The company forms part of a large Group where cash is managed centrally and financial support is available should the business not achieve its forecasts. The Group is financed and backed by HgCapital, a leading investor in the European private equity market.

Key performance indicators

The directors consider growth in turnover to be the company's key performance indicator. Although year on year growth was marginal the directors regard this as an acceptable level given the harsh economic conditions experienced during the year.

Principal risks and uncertainties facing the business

The directors have assessed the main risk facing the company to be from the current economic trading conditions as companies take longer to make decisions over any planned recruitment and talent platform purchases, though the directors believe that the quality of the products and services provided and the investment in infrastructure during the last two years will help mitigate the risk and are confident of continued growth and satisfactory trading results in the coming year.

The company's key clients are predominantly FTSE 250 companies with large cash balances and so exposure to credit risk is not considered material as historically bad debts have been low. The company finances its operations through a mixture of retained profits and intra group borrowings. The management's cash flow objective is to retain sufficient liquid funds to enable the company to meet its day to day obligations as they fall due. In the event of any shortfalls in funding, the company has the support and backing of the wider Lumesse Group which means liquidity and cash flow risk is very low.

Results and dividends

The loss for the year, after taxation and exceptional items, amounted to £287k (2010: £2.1m). The directors have not recommended a dividend.

LUMESSE LIMITED
THE DIRECTORS' REPORT
YEAR ENDED 31 DECEMBER 2011

Directors

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

D Love
M Parker
J Thrower (Resigned 12 February 2011)
K Symonds (Appointed 30 March 2011)

Directors' responsibilities

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 of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company 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 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor are unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he/she is obliged to take in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditor

Ernst & Young LLP were appointed as the statutory auditor of the company on 25 January 2011.

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting.

Approved by order of the board of directors and signed on its behalf by

M Parker
Director

Approved by the directors on 14th May 2012

LUMESSE LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
LUMESSE LIMITED

YEAR ENDED 31 DECEMBER 2011

We have audited the financial statements of Lumesse Limited for the year ended 31 December 2011, which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 24. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 3, 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 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 company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Director's Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2011 and of its 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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

LUMESSE LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
LUMESSE LIMITED *(continued)*

YEAR ENDED 31 DECEMBER 2011

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

Ernst & Young LLP

Marcus Butler (Senior Statutory Auditor)
For and on behalf of

Ernst & Young LLP
Reading

21 May 2012

LUMESSE LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 DECEMBER 2011

	Note	2011 £	2010 £
Turnover	3	14,316,638	14,296,383
Cost of sales		<u>(5,708,955)</u>	<u>(10,835,807)</u>
Gross profit		8,607,683	3,460,576
Net operating expenses		<u>(8,266,846)</u>	<u>(6,008,672)</u>
Operating profit/ (loss) before exceptional items		340,837	(796,594)
Exceptional items	5	(2,043,478)	(1,751,502)
Operating loss	4	(1,702,641)	(2,548,096)
Interest receivable		424	407
Interest payable and similar charges	8	<u>(38,827)</u>	<u>(27,425)</u>
Loss on ordinary activities before taxation		(1,741,044)	(2,575,114)
Tax on loss on ordinary activities	9	1,453,705	462,577
Loss for the financial year		<u><u>(287,339)</u></u>	<u><u>(2,112,537)</u></u>

All of the activities of the company are classed as continuing

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

The notes on pages 8 to 18 form part of these financial statements

LUMESSE LIMITED
Registered Number 3879877

BALANCE SHEET

31 DECEMBER 2011

	Note	2011 £	2010 £
Fixed assets			
Tangible assets	10	2,545,227	2,918,420
Current assets			
Debtors	11	7,344,894	4,452,111
Cash at bank and in hand		525,065	34,316
		<u>7,869,959</u>	<u>4,486,427</u>
Creditors: Amounts falling due within one year	13	<u>(13,028,915)</u>	<u>(9,731,237)</u>
Net current liabilities		(5,158,956)	(5,244,810)
Total assets less current liabilities		(2,613,729)	(2,326,390)
Creditors: Amounts falling due after more than one year	14	(2,500,000)	(2,500,000)
Provisions for liabilities			
Other provisions	15	(100,000)	(100,000)
Net liabilities		<u>(5,213,729)</u>	<u>(4,926,390)</u>
Capital and reserves			
Called-up share capital	19	143,959	143,959
Share premium account	20	297,945	297,945
Profit and loss account	21	(5,655,633)	(5,368,294)
Shareholders' deficit	22	<u>(5,213,729)</u>	<u>(4,926,390)</u>

These financial statements were approved by the directors and authorised for issue on 16 May 2012 and are signed on their behalf by

M Parker

Director

The notes on pages 8 to 18 form part of these financial statements

LUMESSE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2011

1 Accounting policies

Basis of accounting

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

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent undertaking includes the company in its own published consolidated financial statements

Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be measured reliably. The following specific recognition criteria must also be met before revenue is recognised

Revenue is recognised by reference to the terms of the transaction at the Balance Sheet date when it is probable that the economic benefits associated with the transaction will flow to the enterprise, the amount of the revenue can be measured reliably, and the cost incurred for the transaction and the costs to complete the transaction can be measured reliably. Revenues are recorded net of sales taxes and discounts

- Implementation and consulting service revenues are recognised using the percentage of completion method when the outcome of the contract can be reliably estimated. The percentage completion is calculated with reference to the costs incurred at the reporting date compared to the expected total costs to deliver the service
- Perpetual licence revenue is recognised at the time of delivery on the basis that no significant customisation is required. If customisation is required revenue is deferred until such customisation is completed
- Recurring licence revenue, customer support (maintenance) revenue and hosting revenues are recognised rateably over the term of the service contract

Amounts which are invoiced to customers but not yet recognised as revenue are recorded in the Balance Sheet as deferred income

Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation. Cost represents purchase price together with any incidental costs of acquisition

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

Depreciation

Depreciation is calculated so as to write off the cost of an asset, net of anticipated disposal proceeds, over the useful economic life of that asset as follows

- | | |
|--------------------------------|--------------------------------|
| Fixtures, fittings & equipment | - Straight line over 3 years |
| Short leasehold improvements | - Over the period of the lease |

LUMESSE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2011

1. Accounting policies *(continued)*

Share-based payments

The company was acquired by Shackleton S à r l on 31 March 2010. Shackleton S à r l does not operate any equity-settled, share-based compensation plans.

However, prior to 31 March 2010, the company was a member of the StepStone ASA Group, which operated an equity-settled, share-based compensation plan. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense in the profit and loss account and credited to reserves as a capital contribution from StepStone ASA.

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

The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable.

At each balance sheet date, the Group revises its estimates of the number of options that are expected to become exercisable. The impact of the revision of original estimates, if any, is recognised in the profit and loss account, with a corresponding adjustment to the capital contribution.

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.

Pension costs

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year. The assets of the scheme are held separately from those of the company in an independently administered fund. Contributions are charged in the Profit and Loss Account as they become payable in accordance with the rules of the scheme.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more tax, or a right to pay less tax, or a right to receive repayments of tax.

Deferred tax assets, calculated on an undiscounted basis, are recognised only to the extent that the directors consider it more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

LUMESSE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2011

1 Accounting policies (continued)

Foreign currencies

Transactions denominated in foreign currencies are recorded at the rates of exchange ruling at the dates of the transactions, or at an average rate for the period if the rates do not fluctuate significantly. Monetary assets and liabilities are translated at year end exchange rates or, where appropriate, at rates of exchange fixed under the terms of the relevant transaction. The resulting exchange rate differences are charged to the profit and loss account.

Exceptional Costs

The company presents as exceptional costs on the face of the Profit and Loss Account, those material items of income and expense which because of their nature and frequency of the events giving rise to them, merit separate presentation to allow shareholders to better understand the elements of financial performance in the period.

2. Going concern - basis of preparation

The financial statements have been prepared on the going concern basis. The directors believe this basis of preparation to be appropriate as a fellow group company has provided a written undertaking to provide financial support, for a period of not less than 12 months from the date of approval of these financial statements, to enable the company to continue to trade and meet its obligations as they fall due.

The directors are confident that the promised support will be forthcoming and that the company will be able to operate within the financial support. Accordingly, the financial statements do not contain any adjustments which may arise if this support is withdrawn.

3 Turnover

The turnover and loss before tax are attributable to the one principal activity of the company.

An analysis of turnover is given below:

	2011 £	2010 £
United Kingdom	13,550,861	13,859,532
Overseas	765,777	436,851
	<u>14,316,638</u>	<u>14,296,383</u>

4. Operating loss

Operating loss is stated after charging/(crediting)

	2011 £	2010 £
Depreciation of owned fixed assets	1,746,575	1,404,822
(Profit)/Loss on disposal of fixed assets	(2,426)	38,968
Operating lease costs		
- Other	148,327	143,565
Net loss on foreign currency translation	21,994	127,474
Auditor's remuneration		
- audit of these financial statements	12,000	12,000
- other fees	-	-
	<u>-</u>	<u>-</u>

LUMESSE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2011

5 Exceptional items

	2011 £	2010 £
Costs relating to Management Buy Out	-	1,751,502
Restructuring expense	2,043,478	-
	<u>2,043,478</u>	<u>1,751,502</u>

On 31 March 2010 the parent company StepStone Solutions AS was acquired from StepStone ASA, a subsidiary of Axel Springer, by Shackleton Sarl, whose ultimate parent company is Hg Capital. As a result of this acquisition a number of exceptional costs were incurred by the company including staff re-organisation costs, legal and professional fees and the early costs of re-branding from Stepstone Solutions to Lumesse.

6. Staff numbers and costs

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

	2011 No	2010 No
Administrative	24	17
Management	5	7
Sales & marketing	109	109
IT development	52	42
	<u>190</u>	<u>175</u>

The aggregate payroll costs of the above were

	2011 £	2010 £
Wages and salaries	9,644,314	9,318,890
Social security costs	1,125,678	910,974
Other pension costs	421,440	432,664
	<u>11,191,432</u>	<u>10,662,528</u>

7 Directors' emoluments

a) Directors who provide qualifying services to the company

The following disclosures are in respect of qualifying services by K Symonds from the date of appointment and for J Thrower to the date of resignation (2010 J Thrower)

	2011	2010
Aggregate emoluments in respect of qualifying services	<u>66,171</u>	<u>76,405</u>
Number of directors who exercised share options	<u>-</u>	<u>-</u>

LUMESSE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2011

7. Directors' emoluments (continued)

b) Directors who do not provide qualifying services to the company

The other directors' services to the company and to a number of fellow subsidiaries are of a non-executive nature and their emoluments are deemed to be wholly attributable to their qualifying services to Lumesse Corporate Limited. Accordingly, these financial statements include no emoluments in respect of these directors (2010: £nil)

8. Interest payable and similar charges

	2011 £	2010 £
Group interest payable	40,760	25,675
Other interest payable	(1,933)	1,750
	<u>38,827</u>	<u>27,425</u>

9. Taxation on ordinary activities

(a) Analysis of tax credit in the year

	2011 £	2010 £
Current tax		
- UK Corporation tax	-	-
Deferred tax (note 12)		
- Origination and reversal of timing differences	(409,534)	(488,921)
- Adjustments in respect of prior year	(1,089,870)	8,322
- Effect of change in tax rate	45,700	18,022
Tax on profit on ordinary activities	<u>(1,453,704)</u>	<u>(462,577)</u>

(b) Factors affecting current tax charge

The tax assessed on the loss on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 26% (2010 - 28%). The differences are explained below

	2011 £	2010 £
Loss on ordinary activities before taxation	<u>(1,741,044)</u>	<u>(2,575,114)</u>
Loss on ordinary activities by rate of tax	(461,257)	(721,032)
Effects of		
Expenses not deductible for tax purposes	265	400,188
Capital allowances less than depreciation	462,080	281,387
Items not subject to corporation tax	-	-
Movement in short term timing differences	(56,101)	(35,088)
Utilisation of brought forward tax losses	-	74,545
Unrelieved tax losses and other deductions arising in the period	<u>55,013</u>	<u>-</u>
Total current tax (note 9(a))	<u>-</u>	<u>-</u>

LUMESSE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2011

9 Taxation on ordinary activities (continued)

(c) Factors that may affect future tax charges

Following the substantive enactment of the Finance Act 2011 in July 2011, the UK corporation tax rate was reduced from 26% to 25% with effect from 1 April 2012. Deferred tax assets and liabilities have therefore been calculated using 25% as this is the rate at which deferred tax is expected to unwind in the future.

In his budget of 21 March 2012, the Chancellor of the Exchequer announced Budget tax changes, which, if enacted in the proposed manner, will have a significant effect on the company's future tax position. The budget proposed a decrease in the rate of UK Corporation Tax from 25% to 22%, by reducing to 24% from 1 April 2012 followed by a further 1% each year, from April 2012, which will be enacted annually. The effect on the Company of these proposed changes to the UK tax system will be reflected in the Company's financial statements in future years, as appropriate, once the proposals have been substantively enacted.

10. Tangible fixed assets

	Fixtures, Fittings & Equipment £	Short Leasehold Improvements £	Total £
Cost			
At 1 January 2011	5,468,630	669,326	6,137,956
Additions	1,396,535	13,202	1,409,737
Disposals	(43,626)	-	(43,626)
At 31 December 2011	<u>6,821,539</u>	<u>682,528</u>	<u>7,504,067</u>
Depreciation			
At 1 January 2011	2,915,050	304,486	3,219,536
Charge for the year	1,548,236	198,339	1,746,575
Disposals	(7,271)	-	(7,271)
At 31 December 2011	<u>4,456,015</u>	<u>502,825</u>	<u>4,958,840</u>
Net book value			
At 31 December 2011	<u>2,365,524</u>	<u>179,703</u>	<u>2,545,227</u>
At 31 December 2010	<u>2,553,580</u>	<u>364,840</u>	<u>2,918,420</u>

LUMESSE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2011

11. Debtors

	2011 £	2010 £
Trade debtors	3,275,785	2,690,573
Amounts owed by group undertakings	1,142,319	318,278
Other debtors	87,801	69,232
Prepayments and accrued income	768,335	757,078
Deferred taxation (note 12)	2,070,654	616,950
	<u>7,344,894</u>	<u>4,452,111</u>

12. Deferred taxation

The deferred tax asset included in the balance sheet is as follows

	2011 £	2010 £
Included in debtors (note 11)	<u>2,070,654</u>	<u>616,950</u>

The movement in the deferred taxation account during the year was

	2011 £	2010 £
Opening deferred tax (asset)	(616,950)	(154,373)
Debit/(Credit) to the profit and loss account	(409,534)	(488,921)
Adjustments in respect of prior year	(1,089,870)	8,322
Effect of change in tax rate	45,700	18,022
Deferred tax asset (net) transferred	-	-
At 31 December 2011	<u>(2,070,654)</u>	<u>(616,950)</u>

The balance of the deferred taxation account consists of the tax effect of timing differences in respect of

	2011 £	2010 £
Capital allowance in excess of depreciation	(776,641)	(395,367)
Tax losses available	(551,749)	(130,359)
Short term timing differences	(742,264)	(91,224)
Deferred tax (asset)	<u>(2,070,654)</u>	<u>(616,950)</u>

13 Creditors. Amounts falling due within one year

	2011 £	2010 £
Trade creditors	2,086,674	1,429,724
Amounts owed to group undertakings	6,070,316	4,739,547
PAYE and social security	308,907	249,523
VAT	246,943	61,658
Other creditors	66,675	235,173
Accruals and deferred income	4,249,400	3,015,612
	<u>13,028,915</u>	<u>9,731,237</u>

LUMESSE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2011

14. Creditors Amounts falling due after more than one year

	2011 £	2010 £
Amounts owed to group undertakings	<u>2,500,000</u>	<u>2,500,000</u>

15 Other provisions

	2011 £	2010 £
Leasehold property re-instatement		
Provision b/fwd	100,000	100,000
Movement during the year	-	-
Provision c/fwd	<u>100,000</u>	<u>100,000</u>

Provision has been made for the reinstatement of the company's leasehold property at the end of the current lease term, which is expected to expire in 2014. The provision was estimated using comparable current market rates per square foot occupied and has not been discounted. No change to the provision is deemed necessary for 2011.

16 Commitments under operating leases

At 31 December 2011, the company had annual commitments under non-cancellable operating leases as set out below:

	Land & buildings		Other	
	2011	2010	2011	2010
Operating leases which expire				
Within one year	-	-	-	-
Between two and five years	<u>214,753</u>	<u>71,584</u>	<u>8,494</u>	<u>10,158</u>
	<u>214,753</u>	<u>71,584</u>	<u>8,494</u>	<u>10,158</u>

LUMESSE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2011

17. Related party transactions

During the year, the company entered into transactions, in the ordinary course of business, with other related parties. Transactions entered into, and balances outstanding at 31 December 2011, are as follows:

	Sales to related party	Purchases from related party	Management charges to related party	Management charges from related party	Interco loan interest expense to related party	Interco loan interest income from related party	Amounts owed from related party	Amounts owed to related party
Related parties								
Fellow group subsidiaries								
2011	55,063	-	12,073,504	4,579,266	40,760	-	1,127,239	6,868,750
2010	-	54,648	8,411,417	1,521,788	25,675	-	315,512	5,568,980
Intermediate parent								
2011	-	-	-	-	-	324	3,082	964,268
2010	-	-	-	-	-	197	2,767	-
Penultimate parent								
2011	-	-	-	-	-	-	-	-
2010	-	-	-	-	-	-	-	989,293
Immediate parent								
2011	-	-	-	-	-	-	-	737,298
2010	-	-	-	-	-	-	-	381,274

18. Pension costs

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £421,440 (2010: £432,664). Pension contributions outstanding at the year end were £61,154 (2010: £57,017).

LUMESSE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2011

19 Share capital

Authorised share capital:

	2011	2010
	£	£
19,194,508 Ordinary shares of £0.0075 each	<u>143,959</u>	<u>143,959</u>

Allotted, called up and fully paid:

	2011		2010
	No	£	No
			£
19,194,508 Ordinary shares of £0.0075 each	<u>19,194,508</u>	<u>143,959</u>	<u>19,194,508</u>
			<u>143,959</u>

20. Share premium account

There was no movement on the share premium account during the financial year (2010 £nil)

21. Profit and loss account

	2011	2010
	£	£
Balance brought forward	(5,368,294)	(2,906,165)
Loss for the financial year	(287,339)	(2,112,537)
Share based payment reserve	-	(349,592)
Balance carried forward	<u>(5,655,633)</u>	<u>(5,368,294)</u>

22. Reconciliation of movements in shareholders' (deficit)

	2011	2010
	£	£
Loss for the financial year	(287,339)	(2,112,537)
Share based payment reserve	-	(349,592)
Net (reduction)/addition to shareholders' funds	<u>(287,339)</u>	<u>(2,462,129)</u>
Opening shareholders' deficit	(4,926,390)	(2,464,261)
Closing shareholders' deficit	<u>(5,213,729)</u>	<u>(4,926,390)</u>

The movement on share based payment reserve relates to the cash settlement of options in January 2010 that vested in 2009

23. Capital commitments

Amounts contracted for but not provided in the financial statements amounted to £nil (2010 - £nil)

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24. Ultimate parent undertaking and controlling party

The company's immediate parent undertaking is Lumesse Holdings UK Limited, a company registered in England and Wales

The directors regarded HgCapital, which is incorporated in the United Kingdom, as the ultimate parent undertaking and controlling party

Lumesse Holdings Sàrl, a company registered in Luxembourg, is the largest group for which consolidated financial statements which include Lumesse Limited are available. A copy of these consolidated financial statements can be obtained from their address at 7a rue Robert Stumper L-2557 Luxembourg