

**Execution Noble Research Limited  
(Formerly Clear Capital Limited)**

**Directors' Report and Financial Statements  
For the year ended 31 December 2011**

**Registered Number 04637166**

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# Execution Noble Research Limited

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# **Execution Noble Research Limited**

## **Directors:**

Rupert Angus Macpherson	
Charles James Ashton	
Edward John Llewellyn-Lloyd	
Nicholas Paulson-Ellis	
Luis Miguel Pina Luna Vaz	appointed 19/01/2011
Nicholas Mark Finegold	appointed 19/01/2011
Damien Devine	appointed 19/01/2011
Dipesh Chimanbhai Patel	appointed 19/01/2011
Joao Paulo de Araujo	appointed 19/01/2011
Tara Cemlyn-Jones	appointed 19/01/2011

## **Secretary:**

Jennifer Anne Owens

## **Registered office:**

10 Paternoster Square  
London  
EC4M 7AL  
United Kingdom

## **Bankers:**

Lloyds Banking Group  
25 Gresham Street  
London  
EC2V 7HN  
United Kingdom

## **Auditor:**

KPMG Audit Plc  
15 Canada Square  
London  
E14 5GL  
United Kingdom

# **Execution Noble Research Limited**

## **Directors' Report**

The Directors present the report and financial statements for Execution Noble Research Limited (formerly Clear Capital Limited) ("the Company") for the year to 31 December 2011. The comparatives are for the year ended 31 January 2010.

### **Activities**

The principal activity of the Company continues to be the provision of independent equity research.

The Company is authorised and regulated by The Financial Services Authority.

### **Results and review of business**

The results for the year to 31 December 2011 are set out in the accompanying financial statements and attached notes. The Directors consider that the performance for the year was within expectations.

### **Going Concern**

The Company's forecasts and projections, taking account of principal risks and uncertainties below, including the possible changes in economic and trading performance, show that the Company will be able to operate within the level of its working capital resources. Based on the assessment, the Directors believe that the Company will have access to adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

### **Principal Risks**

The Company is exposed to financial risk through its financial assets and liabilities. The key financial risk is that the proceeds from financial assets are not sufficient to fund the obligations arising from liabilities as they fall due. The most important components of financial risk are interest rate risk, currency risk, credit risk, liquidity risk, cash flow risk and price risk. Due to the nature of the Company's business and the assets and liabilities contained within the Company's balance sheet the only financial risks the Directors consider relevant to this Company are liquidity and cash flow risk. These risks are mitigated by the routine monitoring of the key management information.

### **Dividends**

The profit for the period after taxation amounted to £243,204 (2010: loss £231,127). The Directors do not recommend the payment of a dividend in respect of the ordinary shares (2010: £nil).

### **Directors**

The Directors, who served during the period, were as follows:

Rupert Angus Macpherson	
Charles James Ashton	
Nicholas Jeremy Bruce Paulson-Ellis	resigned 19/01/2011
Edward John Llewellyn-Lloyd	resigned 19/01/2011
Luis Miguel Pina Luna Vaz	appointed 19/01/2011
Nicholas Mark Finegold	appointed 19/01/2011
Damien Devine	appointed 19/01/2011
Dipesh Chimanbhai Patel	appointed 19/01/2011
Joao Paulo de Araujo	appointed 19/01/2011
Tara Cemlyn-Jones	appointed 19/01/2011

# **Execution Noble Research Limited**

## **Directors' Report (continued)**

### **Directors' indemnities**

The Company has made qualifying third party indemnity provisions for the benefit of the Directors which were made during the period and remain in force at the date of this report

### **Auditors**

Each of the persons who is a Director at the date of the approval of this report confirms that

- so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the Director has taken all the steps that he/she ought to have taken as a Director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006

### **Appointment of auditors**

Pursuant to Section 487 of the Companies Act 2006 the auditors will be deemed to be reappointed and KPMG Audit PLC will therefore continue in office

# **Execution Noble Research Limited**

## **Statement of Directors' responsibilities in respect of the Directors' report and the financial statements**

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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

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 these 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,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Further information on the Company can be found at [www.execution-noble.com](http://www.execution-noble.com)

Approved by the Board and signed on its behalf by



Charles James Ashton  
Director  
19 April 2012

## **Independent Auditor's Report to the members of Execution Noble Research Limited**

We have audited the financial statements of Execution Noble Research Limited for the year ended 31 December 2011 set out on pages 6 to 19. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK 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 4, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the APB's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm)

### **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 <sup>profit</sup> ~~loss~~ for the year then ended,
- have been properly prepared in accordance with UK 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, 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



M Davies (Senior Statutory Auditor)  
for and on behalf of KPMG Audit Plc, Statutory Auditor  
Chartered Accountants  
15 Canada Square, London, E14 5GL, England

20 April 2012

# Execution Noble Research Limited

## Profit and Loss Account

For the year ended 31 December 2011

	Note	Year to 31 December 2011 £	Year to 31 December 2010 £
<b>Turnover</b>		10,231,155	1,828,326
Administrative expenses		<u>(9,987,377)</u>	<u>(2,061,064)</u>
<b>Operating profit/(loss)</b>	<b>2</b>	243,778	(232,738)
Interest receivable		-	1,611
Interest Payable		<u>(574)</u>	<u>-</u>
<b>Profit/(loss) on ordinary activities before taxation</b>		243,204	(231,127)
Taxation	<b>4</b>	-	-
<b>Profit/(loss) for the period</b>		<u>243,204</u>	<u>(231,127)</u>

The notes on pages 8 to 19 form part of these financial statements

There are no recognised gains and losses for the year other than those shown in the above profit and loss account

All activities pertain to continuing activities



# Execution Noble Research Limited

## Balance Sheet

As at 31 December 2011

	Note	2011 £	2010 £
<b>Fixed assets</b>			
Investments	6	<u>5,697</u>	<u>5,697</u>
<b>Current assets</b>			
Debtors amounts due within one year	7	3,147,112	2,760,194
Cash at bank		115,589	270,403
		<u>3,262,701</u>	<u>3,030,597</u>
<b>Creditors: amounts due within one year</b>	8	(1,983,152)	(1,994,252)
<b>Net current assets</b>		<u>1,279,549</u>	<u>1,036,345</u>
<b>Net assets</b>		<u>1,285,246</u>	<u>1,042,042</u>
<b>Capital and reserves</b>			
Called up share capital	9	509,500	509,500
Share premium account	10	220,500	220,500
Profit and loss account	10	555,246	312,042
<b>Shareholders' funds</b>	10	<u>1,285,246</u>	<u>1,042,042</u>

The notes on pages 8 to 19 form part of these financial statements

The accounts of Execution Noble Research Limited, Registered Number 04637166, were approved by the Board and authorised for issue on 19 April 2012



Charles James Ashton  
Director  
19 April 2012

# **Execution Noble Research Limited**

## **Notes to the financial statements**

For the year ended 31 December 2011

### **1. Accounting policies**

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements

#### **Basis of Preparation**

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets, and in accordance with applicable United Kingdom Generally Accepted accounting standards and Companies Act 2006

#### **Going Concern**

The Company's forecasts and projections, taking account of principal risks and uncertainties, including the possible changes in economic and trading performance, show that the Company will be able to operate within the level of its working capital resources. Based on the assessment, the Directors believe that the Company will have access to adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements

#### **Turnover**

Turnover represents commissions due under commission share agreements plus research fees receivable from third parties. It is recognised when invoiced following notifications from clients and upon cash receipt

#### **Investments**

Unlisted investments are included at cost less provision for impairment

The carrying value of these investments on the balance sheet will be reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to the recoverable amount, unless the relevant asset is carried at a revalued amount, in which case the impairment is treated as a revaluation decrease. Impairment losses are recognised as an expense immediately

# **Execution Noble Research Limited**

## **Notes to the financial statements (continued)**

For the year ended 31 December 2011

### **1. Accounting policies (continued)**

#### **Foreign currencies**

Income and expenditure in foreign currencies are translated at the rates of exchange ruling on the dates of such transactions. Assets and liabilities held in foreign currencies are translated at the rates ruling on the balance sheet date. Exchange differences arising are taken to the profit and loss account.

#### **Taxation**

Current tax, including UK corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, 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 is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

#### **Pension scheme**

Certain employees can choose to be members of a Group Personal Pension scheme operated by the former Noble Group. Depending on contracts the Group matches employee contributions up to a maximum of 5% of salary in the defined contribution scheme.

The amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the contributions paid during the year.

# **Execution Noble Research Limited**

## **Notes to the financial statements (continued)**

For the year ended 31 December 2011

### **1. Accounting policies (continued)**

#### **Share-based payments**

The Company has applied the requirements of FRS 20 Share-Based Payment in respect of share based payments made by the Company's former ultimate parent, Noble Group Holdings Limited

Noble Group Holdings Limited issued equity-settled share-based payments to certain employees, including employees of the Company. Equity-settled share-based payments are measured at fair value (excluding the effect of non market-based vesting conditions) at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of shares that will eventually vest and adjusted for the effect of non market-based vesting conditions.

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.

#### **Cash flow statement**

Under Financial Reporting Standard 1, the Company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a wholly-owned subsidiary undertaking of Espirito Santo Investment Holdings Limited which prepares a consolidated cash flow statement.

#### **Preparation of group accounts**

The Company is exempt from preparing group financial statements under s400 of the Companies Act 2006. Accordingly, these financial statements present information about the Company as an individual undertaking and not about its group. Group financial statements are prepared by the Company's ultimate parent, Espirito Santo Investment Holdings Limited incorporated in the United Kingdom. Copies of the consolidated financial statements of Espirito Santo Investment Holdings Limited can be obtained from the Registrar of Companies, Companies House.

# Execution Noble Research Limited

## Notes to the financial statements (continued)

For the year ended 31 December 2011

### 2 Profit on ordinary activities before taxation

	Year to 31 December 2011 £	Year to 31 December 2010 £
Operating loss on ordinary activities before taxation is stated after charging		
Fees payable to the Company's auditor for the audit of the Company's annual accounts	16,800	15,000
Other services pursuant to legislation <sup>1</sup>	-	-
Total fees paid to auditors	<u>16,800</u>	<u>15,000</u>

<sup>1</sup> Including services that relate to regulatory filings

### 3 Staff numbers and costs

The average number of employees during the year was 34 (Year to 31 December 2010 6)

The aggregate remuneration and associated costs of the Company's employees were

	Year to 31 December 2011 £	Year to 31 December 2010 £
Wages and salaries	2,858,684	582,873
Share-based payments	-	352,668
Social security costs	346,659	74,608
Pension contributions	8,700	21,408
	<u>3,214,043</u>	<u>1,031,557</u>

# Execution Noble Research Limited

## Notes to the financial statements (continued)

For the year ended 31 December 2011

### 3. Staff numbers and costs (continued)

#### Directors' emoluments:

	Year to 31 December 2011	Year to 31 December 2010
	£	£
Emoluments	-	225,817
Pension scheme contributions	-	6,500
	<u>-</u>	<u>232,317</u>
Share options exercised (number)	<u>-</u>	<u>378,251</u>

During 2011 the aggregate of emoluments and amounts receivable of the highest paid Director were £nil (2010 £225,817), and Company pension contributions of £nil (2010 £6,500) were made to a money purchase scheme on his behalf. During the year, there were no share options exercised as all options had lapsed.

### 4. Tax on profit/ (loss) on ordinary activities

#### The tax charge comprises:

	Year to 31 December 2011	Year to 31 December 2010
	£	£
<b>Current tax</b>		
UK corporation tax	-	-
<b>Total current tax</b>	<u>-</u>	<u>-</u>
<b>Deferred taxation</b>		
Origination and reversal of timing differences	-	-
	<u>-</u>	<u>-</u>
<b>Tax on Profit on Ordinary activities</b>	<u>-</u>	<u>-</u>

# Execution Noble Research Limited

## Notes to the financial statements (continued)

For the year ended 31 December 2011

### 4. Tax on profit/ (loss) on ordinary activities (continued)

Factors affecting tax charge in the year	Year to 31 December 2011 £	Year to 31 December 2010 £
<b>Profit/(Loss) on ordinary activities before tax</b>	<b>243,204</b>	<b>(231,127)</b>
Profit/(Loss) on ordinary activities at standard rate of tax 26.5% (2010: 28%)	64,449	(64,715)
Capital allowances in excess of depreciation	-	(5,607)
Expenses not deductible for tax purposes	9,110	13,414
Generation/ (Utilisation) of tax losses	(73,734)	56,908
<b>Current tax charge based on profit/(loss) for the year</b>	<b>-</b>	<b>-</b>
<b>Deferred tax</b>	<b>Year to 31 December 2011 £</b>	<b>Year to 31 December 2010 £</b>
Deferred tax asset not recognised	-	14,756

A deferred tax asset in relation to excess of capital allowances over depreciation has not been recognised, due to uncertainty over its future realisation. The asset will be recovered if there is suitable taxable profit generated from this trade in future years.

### 5. Share-based payments

The former Noble Group had two share option schemes for employees, an EMI Options Scheme and an Unapproved Options Scheme. Options in the EMI Options Scheme were exercisable at prices equal to the market price of the Company's shares on the date of the grant of the option. The vesting period was between one and three years. If the options remained unexercised after a period of between three and ten years from the date of grant, the options expired. Options were forfeited if the employee left the Group before the options vested. Options in the Unapproved Options Scheme were either exercisable at £0.01 (nominal) at the market price of the Company's shares on the date of grant of the option. The options vested equally over four years for the £0.01 options while the market value options vested on the date of grant. If the options remained unexercised after five years from the date of grant the options expired. The options contained bad leaver restrictions that may have meant that unvested options lapsed. All options were exercised on 1 February 2011.

# Execution Noble Research Limited

## Notes to the financial statements (continued)

For the year ended 31 December 2011

### 5. Share-based payments (continued)

Details of the share options outstanding during the year are as follows

	Year to 31 December 2011		Year to 31 December 2010	
	Share options	Weighted average exercise price £	Share options	Weighted average exercise price £
	Number		Number	
Outstanding at beginning of period	-	-	766,464	0.15
Granted during the period	-	-	584,364	0.03
Forfeited during the period	-	-	-	-
Exercised during the period	-	-	(1,350,828)	0.08
Outstanding at the end of the period	-	-	-	-
Exercisable at the end of the period	-	-	-	-

There were no options outstanding at 31 December 2011

In 2010, unapproved share options were granted on 4 January 2010. The estimated fair value on this date was £584,764. In 2009, unapproved share options were granted on 1 January 2009, 21 April 2009 and 18 May 2009. The estimated fair value at 31 December 2009 of the options granted on these dates is £263,916. In 2008, EMI options were granted on 10 June 2008. The estimated fair value at 31 December 2009 of the options granted on this date is £326,276 (2008 £329,806).

The inputs to the Black-Scholes Option Pricing Model are as follows

	10 Jun 2008	1 Jan 2009	21 Apr 2009	18 May 2009	04 Jan 2010
Weighted average share price	£4.50	£0.40	£0.40	£0.40	£0.23
Weighted average exercise price	£0.01	£0.01	£0.01	£4.50	£0.01
Expected volatility	34%	36%	36%	36%	36%
Expected life	4 years	4 years	4 years	4 years	4 years
Risk-free rate	5.0%	1.60%	1.60%	5.00%	1.60%



# Execution Noble Research Limited

## Notes to the financial statements (continued)

For the year to 31 December 2011

### 5. Share-based payments (continued)

Expected volatility was determined by calculating the historical volatility of a basket of comparable quoted stocks. 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 behaviour considerations.

The share price is determined by reference to price/earnings ratios, earnings before interest, tax, depreciation and amortisation and revenue multiples of listed peers discounted to reflect the Company's private status.

The Company did not recognise any expenses related to equity settled share-based payment transactions in 2011 (2010: £352,668).

### 6. Fixed asset investments

	Shares	Total £
Cost as at 1 Jan 2011	5,697	5,697
Cost as at 31 December 2011	<u>5,697</u>	<u>5,697</u>

The subsidiary undertaking included above is as follows:

	Percentage Holding of Ordinary Shares	Nature of Business	Country of Incorporation
Clear-Info-Analytics Private Limited	100	Equity Research	India

### 7. Debtors

	2011 £	2010 £
<b>Amounts falling due within one year</b>		
Trade debtors	64,338	129,590
Other debtors	139,393	163,250
Amounts owed by fellow subsidiaries	1,871,290	1,415,413
Deferred tax	1,051,941	1,051,941
Prepayments	20,150	-
	<u>3,147,112</u>	<u>2,760,194</u>

# Execution Noble Research Limited

## Notes to the financial statements (continued)

For the year ended 31 December 2011

### 7. Debtors (continued)

The deferred tax asset comprises

	2011	2010
	£	£
Excess of depreciation over capital allowances	22,755	25,486
Other short term timing differences	1,029,186	1,026,455
	<u>1,051,941</u>	<u>1,051,941</u>

### 8. Creditors

	2011	2010
	£	£
<b>Amounts falling due within one year</b>		
Trade creditors	8,801	5,921
Other creditors	-	61,805
Accruals and deferred income	912,125	377,076
Other tax and social security	-	11,389
Amounts due to parent undertakings	-	419,181
Amounts due to fellow subsidiaries	1,062,226	1,118,880
	<u>1,983,152</u>	<u>1,994,252</u>

### 9. Share capital

Allotted, called up and fully paid

Number	Class	Nominal value	2011	2010
		£	£	£
509,500	Ordinary	1	<u>509,500</u>	<u>509,500</u>

# Execution Noble Research Limited

## Notes to the financial statements (continued)

For the year ended 31 December 2011

### 10. Reconciliation of movements in reserves and shareholders' funds

	Share capital	Share premium	Profit and loss account	Shareholders' funds
	£	£	£	£
As at 1 January 2010	509,500	220,500	90,501	820,501
Capital Contributions from ultimate parent	-	-	100,000	100,000
Capital Contributions – share based payments	-	-	352,668	352,668
Profit/ (Loss) for the financial year	-	-	(231,127)	(231,127)
As at 31 December 2010	509,500	220,500	312,042	1,042,042
Profit for the financial year	-	-	243,204	243,204
As at 31 December 2011	<u>509,500</u>	<u>220,500</u>	<u>555,246</u>	<u>1,285,246</u>

### 11. Financial Instruments

#### Financial risk management objectives

The Group's (Espirito Santo Investment Holdings Limited) Finance function provides services to the Company, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Company through internal reports which analyses exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest, rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk.

#### Market Risk

The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates (see below).

#### Foreign currency risk management

The Company undertakes transactions denominated in foreign currencies, consequently exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters towards foreign exchange purchase and expenditure.

#### Interest rate risk management

The Company is not exposed to interest rate risk as there are no borrowings.

# **Execution Noble Research Limited**

## **Notes to the financial statements (continued)**

For the year ended 31 December 2011

### **11. Financial Instruments (continued)**

#### **Credit risk management**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of dealing with creditworthy counterparties, as a means of mitigating the risk of financial loss from defaults. The Company transacts with entities that are rated the equivalent of investment grade and above.

The information is supplied by independent rating agencies where available, and if not available, the Company uses other publicly available financial information and its own trading records to rate its major customers. The Company's exposure and the credit ratings of its counterparties are continuously monitored.

Ongoing credit evaluation is performed on the financial condition of accounts receivable. The Group does not have any significant credit risk exposure to single counterparty or any group of counterparties having similar characteristics. The Group defines counterparties as having similar characteristics if they are related entities.

#### **Liquidity and Cashflow risk management**

Ultimate responsibility for liquidity and cashflow risk management rests with the Board of Directors, which has established an appropriate liquidity risk management framework with the Executive Committee ("ExCo") for the management of the Group's short-term, medium-term, and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and continuous monitoring of its forecast and actual cash flows.

### **12. Ultimate controlling party**

The immediate parent Company is Clear Capital Group Limited, a Company registered in England and Wales, registration number 04637166. Clear Capital Group Limited owns 100% of the share capital of Clear Capital Limited.

The Company is a subsidiary undertaking of Banco Espírito Santo, S.A. which is the ultimate parent Company incorporated in Portugal.

The largest group in which the results of the Company are consolidated is that headed by Banco Espírito Santo, S.A., incorporated in Portugal. The consolidated financial statements of this group are available to the public and may be obtained from [www.bes.pt](http://www.bes.pt).

The smallest group in which they are consolidated is that headed by Espírito Santo Investment Holdings Limited, incorporated in England, registration number 07142126. The consolidated financial statements of this group are available to the public and may be obtained from Companies House, Crown Way, Mandy, Cardiff CF14 3UZ.

## **Execution Noble Research Limited**

### **Notes to the financial statements (continued)**

For the year ended 31 December 2011

#### **13. Related party transactions**

The Company is a wholly owned subsidiary of Espirito Santo Investment Holdings Limited. Related parties include other subsidiary companies of Espirito Santo Investment Holdings Limited. The Company has taken advantage of the exemption contained in Financial Reporting Standard 8 and therefore have not disclosed transactions or balances with other wholly owned subsidiaries, which have been eliminated in the consolidated accounts of Espirito Santo Investment Holdings Limited.