

Company Registration Number 004989V

Rivington Street Holdings plc

Financial Statements

Year Ended

31st August 2010

Rivington Street Holdings plc

Financial Statements

Year Ended 31st August 2010

Contents	Page
Officers and Professional Advisers	1
Chairman's Statement	2
The Directors' Report	6
Independent Auditor's Report to the Shareholders	9
Group Profit and Loss Account	11
Group Statement of Total Recognised Gains and Losses	12
Group balance sheet	13
Company balance sheet	14
Group cash flow statement	15
Notes to the financial statements	16

Rivington Street Holdings plc
Officers and Professional Advisers

The Board of Directors

T J Z Winniffrith
J Mellon
D Eke
M Riddell

Registered Office

18 Athol Street
Douglas
Isle of Man
IM1 1JA

Auditor

Nexia Smith & Williamson
Portwall Place
Portwall Lane
Bristol
BS1 6NA

Accountants

Wilson Stevens
Third Floor
111 Charterhouse Street
London
EC1M 6AW

Rivington Street Holdings plc

Chairman's Statement

Year Ended 31st August 2010

Rivington Street Holdings Plc can report underlying EBITDA (operating profit adding back interest, depreciation, amortisation and non recurring costs) of GBP 1.086m for the year ending 31st August 2010 – an increase of 32% on 2009. Whilst many firms in our sector have struggled for profitability during the economic downturn, we delivered a solid trading performance in what was a tough year for many of the sectors in which we operate.

Revenue for the year was 6.19m (2009 4.07m) an increase of 51.9%. The variance between underlying EBITDA and Profit before Tax is after charging GBP 911,826 of Interest, Depreciation and Amortisation and a further GBP 266,544 of non recurring costs predominantly relating to the re-domicile to the Isle of Man. The fire which destroyed our main London office in March was unhelpful but it did not have a significant effect on results – testimony to the strength of the RSH team.

Furthermore, the start of our new financial year has been strong, and we are starting to see real value from some of our recent acquisitions. The firm action taken by your new Board after the re-domicile to the Isle of Man in June 2010 to reduce annualised costs by GBP 645,000 is already starting to boost the bottom line materially. We are confident the year ahead will be a record breaking year for the Group.

Divisional Changes

In order to streamline our business units, we will merge the remaining UK activities, formally based in the Worship Street office, into one business unit headed by Rivington Street Corporate Finance CEO Peter Greensmith. This new division will encompass Bishopsgate Communications, t1ps, RSCF and Commodity Watch.

Isle of Man based RSV now takes full control of Blue Curve, Jovus Inc., Presentation Matters , Flatlands, Athol Street Pharma with VPRR to follow shortly.

In the Isle of Man we now operate three other distinct subsidiaries: t1ps Investment Management, Rivington Street Stockbrokers (operating as JPJShare.com – the UK's lowest cost execution only dealer) and Rivington Street Sales & Conferences.

Acquisition Strategy

It has been a busy period for the Group with a total of six acquisitions made in calendar 2010: Viewpoint/Rosslyn, Blue Curve, Presentation Matters, Jovus Inc., Quartzsite and Biostability. These acquisitions have enabled the Group to grow its client base, deepen sector expertise and to generate cash flows that are either non-cyclical or not geared to stock market performance.

Our strategy remains consistent - RSH will use the cash generated by more mature London operations and by the growth businesses in the Isle of Man to expand the group organically and also to purchase additional businesses which RSH is able to buy on low cash flow multiples. If no such opportunities are presented, the Group intends to repurchase RSH shares in the market.

VPRR

This time last year we announced the proposed acquisitions of Rosslyn Research Limited ("Rosslyn") and Viewpoint Field Services Limited ("Viewpoint") from AIM quoted IQ Holdings. A year on, the Directors are happy to report that cost cutting measures have streamlined both businesses and they remain core to diversifying RSH's operations away from being solely linked to the performance of UK equity capital markets.

Presentation Matters & Ex-Events

The events business Presentation Matters was bought for GBP 269,829 on 11th August 2010. It has traded profitably and in line with expectations. On 4th December 2010 we launched a second events business, Ex-Events and it has now recruited a team of four staff members and is already revenue generating. Details of the new operation can be found at www.ex-events.com.

Rivington Street Holdings plc

Chairman's Statement

Year Ended 31st August 2010

Blue Curve

In August 2010, RSV announced the acquisition of the trade and assets of Blue Curve, the leading software suite for financial research, used by more than 2,500 financial analysts worldwide. Since the year end, Blue Curve has won an additional contract with Alfa Bank, the leading private bank in Russia, and has successfully gone live with installations at Standard Bank in Africa and EFG Hermes in the Middle East. The company continues to trade profitably and has a strong pipeline of new business opportunities in several financial centres.

On 4th November 2010, RSV acquired Jovus Inc – a US based competitor to Blue Curve. Jovus Inc. is a profitable business based in New York and has 20 customers using its financial research production platform. The Jovus business has been merged with Blue Curve to create the first truly global provider of financial research software with customers in North America, Europe, the Middle East, Africa and Asia.

Athol Street Pharmaceuticals

The deals to acquire both Biostability and Quartzsite were completed in November 2010 and bring a new non financial markets revenue stream to the Group. Your Directors believe that the cash flows from Quartzsite and licensing deals from Biostability will make this combined unit more than self funding and add a new income stream to RSV.

Flatlands

As reported in November 2010, the board of RSV has entered into a farm-in agreement with Flatlands, which potentially will see RSV earn up to 50% in its limestone quarry development project in Canada. RSV currently owns 1% of the project and can increase its stake to 50.5% by spending £125,000 on drilling to define the resource to Provincial standards and in bringing the quarry to a state of production readiness. RSV will fund the deal from its own operating cash flow and sees real opportunities for material gain from this potentially high cash generative project.

JPJshare.com

Launched to the UK market on the 16th December 2010, JPJshare.com – the low cost execution only stock broking facility - is the brain child of Barry Jenkins and Brian Gould, who have over 40 years experience combined in this field. The business is growing in line with budgets and is expected to reach profitability well before the current year end.

t1ps Investment Management (“TIM”)

Funds under Management for TIM are at a record high, following the excellent performance of the SF t1ps Smaller Companies Gold Fund, the top performing UK Unit Trust across all sectors in calendar 2010 with a return of 127%. This, combined with the strong performance of the SF t1ps Smaller Companies Growth Fund returning 80% since inception just over three years ago (and which is the number two ranked small cap fund over 3 years and the number five ranked fund out of 2,832 UK Unit Trusts) and the recent launch of the t1ps Smaller Companies EIS Fund 2, has meant total funds under management have risen to £49.6 million.

With other fund management enterprises under consideration and the recently announced management agreements in place with Athol Gold and Woodbourne Square Ag, we are confident that TIM will have another record year.

According to data from Trustnet, our lead fund manager and CEO is, across the funds we manage, the UK's top performing fund manager (out of 1,402) over 6 months, 1 year and 3 years and this record should mean that we continue to attract significant new investment.

Rivington Street Holdings plc

Chairman's Statement

Year Ended 31st August 2010

Rivington Street Corporate Finance ("RSCF")

RSCF has had a stellar year, not only becoming the best performing arm in the Group but also topping the advisory chart rankings to become the largest adviser on PLUS. In only its third year, RSCF now represents 51 AIM and PLUS companies, and we expect another strong year for the business.

Bishopsgate Communications

Bishopsgate Communications continues to grow its monthly average retainer base through new business wins, and since the year end has added eight new clients to its books - it now advises 43 clients on a retained basis. We have strengthened the team at Bishopsgate under Managing Director Alex Giacchetti and the unit is profitable and we are confident about the outlook.

T1ps/Commodity Watch

These two units have effectively been merged, reducing the combined cost base by more than £250,000. Consequently we expect a dramatic improvement in profitability in the current year.

Plans are well under way for the 8th Annual Master Investor Show sponsored by Saxo Bank, to be held on 16th April 2011, and with headline speakers including Jim Mellon, Nigel Wray and Mark Slater, we are confident that the show will be the most successful to date.

Whitewash Agreement

As announced in August 2010, RSH sought shareholder approval to allow RSH to purchase its own shares. In conjunction with seeking such authority the Takeover Panel would be asked to waive, subject to shareholder consent, any obligation for Tom Winniffrith to make a mandatory offer in the event such purchase by RSH should increase his holding to 30% or more, or in the event he exercises options over shares in RSH which could increase his holding to 30% or more. We expect approval for this agreement to be given at February's AGM.

Award of options

RSH is committed to retaining the services of all of its staff whose efforts are delivering such impressive results. As such in December 2010, RSH awarded options to all of its staff over 2,109,000 shares. These options are exercisable at any time after 8th December 2013 at a price of 50p per share. In addition there are 137,000 unapproved options at 50p which have been awarded to non British Isles based staff.

As announced on 29th September 2010, Tom Winniffrith, Chief Executive Officer, of Rivington Street Holdings, was granted an Option to subscribe for up to 7,000,000 new Ordinary Shares at 25.5p per share. The Option may be exercised in tranches as set out in the following table:

A. Tranche	B. EBITDA (£)	C. No. of Option Shares
1	1,000,000 to 2,449,999	1,000,000
2	2,500,000 to 3,449,999	2,000,000
3	3,500,000 to 4,449,999	2,000,000
4	4,500,000 to 5,449,999	1,000,000
5	5,500,000 or greater	1,000,000

Rivington Street Holdings plc

Chairman's Statement

Year Ended 31st August 2010

If in any financial year during the period of the Option, the Company achieves an EBITDA falling within the ranges listed in column B of the above table, then the number of Option Shares listed in column C of the same row of the above table, together with such number of Option Shares of the preceding tranches that have not already vested, shall immediately vest and be exercisable. For the avoidance of doubt, each tranche shall only vest once.

If Tom Winniffrith was to exercise the Option in full, his interest in the Company would, as a result, assuming his current holding, increase to 39.39 per cent. of the Company's issued share capital following any such exercise. Any exercise of the Option which increased Mr Winniffrith's interest to 30 per cent. or more would ordinarily result in Mr. Winniffrith being required to make a mandatory cash offer under the City Code to remaining Shareholders. However, the Option provides that no such exercise shall be permitted without prior shareholders' whitewash approval under the City Code and the Company will seek, subject to an agreement from the Panel, such shareholders approval at a general meeting of the Company to be held on 9th February 2011, immediately following the AGM to be held at 10am on the same date.

Issue of shares

Mr Jim Mellon and Mr Denham Eke are each paid a salary of £25,000 per annum to act as Directors. The salary is payable in shares issued at the end of each half calendar year. As a result 79,366 new shares have today been issued covering the period 11th June to 31st December. Rupert Cottrell, Non Executive Chairman, of t1ps Investment Management, will be issued with 14,920 shares to undertake this role. His fees are £12,000 per annum to be paid in two instalments on 30th June and 31st December each calendar year.

Dividend Policy

We believe that Rivington Street can maximise shareholder returns by continuing to acquire well run businesses on low multiples which will, we believe, deliver significant capital growth for shareholders. However we also accept that the payment of a dividend is an alternative way of rewarding shareholders and should be viewed as a statement of intent. Therefore, we have elected to pay a dividend of 0.25p per share for the year just ended to shareholders on the register at 14th February 2011 with the payment made on 10th March 2011. We will continue to seek to repurchase shares for cancellation as the prime way of returning capital to shareholders.

Outlook

The Group remains focused on growing all of the business units both organically and via acquisition. Maximising cash generation is a key management priority. Our new Board has been in place for 7 months and has already made a number of key management decisions which we believe will benefit our business long term. In the first three months of the current year the Group has traded materially ahead of last year. We continue to review a number of acquisition opportunities and remain well placed to execute any transaction which enhances earnings. The Directors view the future with real confidence.

Results for the six months to 28th February will be published on 15th April 2011.

For those shareholders unable to attend the AGM in Douglas on 9th February 2011, the Board plans to hold a London shareholders meeting giving a full review of our activities at a break-out session at Master Investor on 16th April 2011.

J Mellon
Chairman
Rivington Street Holdings Plc

Rivington Street Holdings plc

The Directors' Report

Year Ended 31st August 2010

The directors have pleasure in presenting their report and the financial statements of the group for the year ended 31st August 2010.

Principal Activities and Business Review

The principal activity of the company during the period was that of a holding company. The principal activities of the group members are described in note 14 of the financial statements.

The company was incorporated on 8th February 2010. The company acquired the entire issued share capital of Rivington Street Holdings (UK) Limited, formerly Rivington Street Holdings plc via a one-for-one share exchange. The merger accounting provisions of Financial Reporting Standard No. 6 "Acquisitions and mergers" have been used to account for this transaction as the directors consider that this treatment gives the fairest reflection of the activities of the company and its subsidiaries during the period.

These consolidated accounts for the Rivington Street group reflect the company results for the approximately 7 months from incorporation to 31st August 2010, and the group results for the 12 months to 31st August 2010. Due to the merger accounting treatment used, the comparatives reflect the results for the Rivington Street group for the 12 months to 31st August 2009.

The results for the year are disclosed in the profit and loss account on page 11. The financial position of the company is disclosed in the balance sheet on page 14.

On 31st January 2010 the previous parent company, now called Rivington Street Holdings (UK) Limited, acquired the entire share capital of Viewpoint Field Services Limited for a consideration of £1,320,000, representing 4,800,000 new ordinary shares at a deemed value of 27.5p at the date of acquisition. Goodwill arising on the acquisition of £1,134,145 has been capitalised and will be amortised over 10 years.

On 31st January 2010 the previous parent company, now called Rivington Street Holdings (UK) Limited, acquired the entire share capital of Rosslyn Research Limited for a consideration of £55,000, representing 200,000 new ordinary shares at a deemed value of 27.5p at the date of acquisition. Goodwill arising on the acquisition of £456,777 has been capitalised and will be amortised over 10 years.

On 6th August 2010 the group completed the acquisition of the goodwill, staff and contracts of the Financial Markets division of Corero plc for a total consideration of £2,228,410. This consideration was satisfied by the issue of £2,127,781 convertible unsecured loan stock, the issue of 291,677 new Rivington Street Holdings plc ordinary shares at a deemed value of 34.5p and the balance in cash and acquired liabilities. Purchased goodwill arising on the acquisition of £2,596,783 has been capitalised and will be amortised over 10 years.

On 11th August 2010 the group acquired the entire share capital of Presentation Matters Limited for a deferred cash consideration of £269,829. Goodwill arising on the acquisition of £272,971 has been capitalised and will be amortised over 10 years.

A detailed business review including key performance indicators is contained in the Chairman's statement.

Rivington Street Holdings plc
The Directors' Report (continued)
Year Ended 31st August 2010

Principal Risks and Uncertainties

Financial Risk

The group's operations expose it to a variety of financial risks that include the effects of changes in credit, liquidity and interest rate risk. The group has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the group by monitoring levels of debt finance and finance related costs. The group does not use derivative financial instruments to manage interest rate costs and no such hedging accounting is applied.

Given the size of the group, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The policies set out by the board are implemented by finance departments across the group.

Credit Risk

The group has implemented policies that require appropriate credit checks on customers before sales are made.

Liquidity Risk

The group seeks to manage financial risk to ensure sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably.

Interest Rate Risk

The group has interest bearing assets in the form of cash balances.

Results and Dividends

The loss for the year, after taxation, amounted to £129,739 (2009; profit £233,475). On 13th December 2010, the directors recommended a dividend of 0.25 pence per share, for shareholders on the Company's register as at a record date to be decided at the discretion of the Chief Executive Officer.

Financial Risk Management Objectives and Policies

Details of the company's financial risk management objectives and policies are included in note 23 to the financial statements.

Directors

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

T J Z Winniffrith	(Appointed 9th February 2010)
J Mellon	(Appointed 10th June 2010)
D Eke	(Appointed 10th June 2010)
M Riddell	(Appointed 8th February 2010)
G Wilcher	(Appointed 8th February 2010)
	(Resigned 9th April 2010)

Policy on the Payment of Creditors

It is the group's policy to agree terms of payment prior to commencing trade with any supplier and to abide by those terms based on the timely submission of satisfactory invoices. At the balance sheet date the creditors outstanding represented 252 creditor days (2009: 146 days).

Rivington Street Holdings plc
The Directors' Report (*continued*)
Year Ended 31st August 2010

Directors' Responsibilities

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

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 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 accounting 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company and group will continue in business.

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

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditor

Nexia Smith & Williamson were appointed as auditor during the period.

Signed on behalf of the directors

T J Z Winniffrith

Director

Company Registration Number: 004989V

Approved by the directors on 12th January 2011

Rivington Street Holdings plc

**Independent Auditor's Report to the Shareholders of
Rivington Street Holdings Plc**

Year Ended 31st August 2010

We have audited the financial statements of Rivington Street Holdings plc for the year ended 31st August 2010 which comprise the Group Profit and Loss Account, the Group Statement of Total Recognised Gains and Losses, the Group Balance Sheet, the Company Balance Sheet, the Group Cash Flow Statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with our engagement letter dated 1st October 2010. 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 described in the Statement of Directors' Responsibilities, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (UK GAAP)

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

We report to you our opinion as to whether the financial statements give a true and fair view. We also report to you if in our opinion the company has not kept proper accounting records or if we have not received all the information and explanations we require for our audit.

We read other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report and the Chairman's Statement. We consider the implications for our report if we become aware of any apparent misstatements therein or identify material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Rivington Street Holdings plc

**Independent Auditor's Report to the Shareholders of
Rivington Street Holdings Plc (*continued*)**

Year Ended 31st August 2010

Basis of audit opinion

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

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

Opinion

In our opinion the financial statements give a true and fair view, in accordance with UK GAAP, of the state of the group's and parent company's affairs as at 31st August 2010 and of the group's loss for the year then ended.

NEXIA SMITH & WILLIAMSON

Portwall Place
Portwall Lane
Bristol
BS1 6NA

12th January 2011

Rivington Street Holdings plc
Group Profit and Loss Account
Year Ended 31st August 2010

		2010		2009	
	Note	£	£	£	£
Turnover	2				
Continuing operations		4,101,989		4,079,226	
Acquisitions		<u>2,096,151</u>		–	
Total continuing operations		<u>6,198,140</u>		<u>4,079,226</u>	
Group Turnover			6,198,140		4,079,226
Cost of sales	3		<u>(1,853,134)</u>		<u>(572,431)</u>
Gross Profit			4,345,006		3,506,795
Net operating expenses	3		<u>4,530,461</u>		<u>3,210,707</u>
Operating (Loss)/Profit:	4				
Continuing operations		479,833		296,088	
Acquisitions		<u>(665,288)</u>		–	
Group Operating (Loss)/Profit			(185,455)		296,088
Profit on disposal of group company shares			10,017		–
Exceptional profit on disposal of fixed assets	7		<u>111,115</u>		–
			<u>(64,323)</u>		<u>296,088</u>
Interest receivable and similar income			2,987		8,776
Interest payable and similar charges	8		<u>(30,748)</u>		<u>(4,547)</u>
(Loss)/Profit on Ordinary Activities Before Taxation			(92,084)		300,317
Tax on (loss)/profit on ordinary activities	9		<u>37,655</u>		<u>66,842</u>
(Loss)/Profit on Ordinary Activities after Taxation			(129,739)		233,475
Minority interests			–		<u>(5,606)</u>
(Loss)/Profit Attributable to Members of the Parent Company	10		(129,739)		239,081
(Loss)/Profit for the Financial Year			<u>(129,739)</u>		<u>239,081</u>
Earnings per share (pence)					
Basic	11		<u>(0.36)</u>		<u>0.82</u>
Diluted	11		<u>(0.36)</u>		<u>0.62</u>

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

The notes on pages 16 to 46 form part of these financial statements.

Rivington Street Holdings plc
Group Statement of Total Recognised Gains and Losses
Year Ended 31st August 2010

	2010	<i>2009</i>
	£	£
(Loss)/Profit for the financial year attributable to the shareholders of the parent company	(129,739)	<i>239,081</i>
Unrealised (loss)/gain arising on the valuation of current asset investments	(108,626)	<i>(123,794)</i>
Total recognised gains and losses relating to the year	(238,365)	<i>115,287</i>
Prior year adjustment	-	<i>(30,552)</i>
Total gains and losses recognised since the last annual report	<u>(238,365)</u>	<i><u>84,735</u></i>

The notes on pages 16 to 46 form part of these financial statements.

Rivington Street Holdings plc

Group Balance Sheet

31st August 2010

	Note	2010		2009	
		£	£	£	£
Fixed Assets					
Intangible assets	12		8,367,955		2,954,018
Tangible assets	13		693,188		353,990
Investments	14		29,439		9,439
			<u>9,090,582</u>		<u>3,317,447</u>
Current Assets					
Debtors	15	2,002,422		869,044	
Investments	16	680,251		647,991	
Cash at bank and in hand		364,411		881,747	
		<u>3,047,084</u>		<u>2,398,782</u>	
Creditors: Amounts Falling due Within One Year	17	4,394,021		1,525,267	
Net Current (Liabilities)/Assets			(1,346,937)		873,515
Total Assets Less Current Liabilities			7,743,645		4,190,962
Creditors: Amounts Falling due after More than One Year	18		2,242,602		50,000
Provisions for Liabilities					
Deferred taxation	21		26,841		1,251
			<u>5,474,202</u>		<u>4,139,711</u>
Capital and Reserves					
Called-up equity share capital	26		399,925		316,493
Share premium account	27		213,380		665,657
Investments revaluation reserve	28		(159,601)		(51,000)
Share options reserve	29		43,067		116,687
Other reserves	30		4,261,459		2,148,325
Profit and loss account	31		715,972		958,439
Shareholders' Funds	33		5,474,202		4,154,601
Minority Interests			—		(14,890)
			<u>5,474,202</u>		<u>4,139,711</u>

These financial statements were approved by the directors and authorised for issue on 12th January 2011, and are signed on their behalf by:

T J Z Winniffrith
Director

The notes on pages 16 to 46 form part of these financial statements.

Rivington Street Holdings plc

Company Balance Sheet

31st August 2010

	Note	2010		2009	
		£	£	£	£
Fixed Assets					
Tangible assets	13		8,783		—
Investments	14		392,995		—
			<u>401,778</u>		<u>—</u>
Current Assets					
Debtors	15	405,525		—	
Cash at bank		<u>144</u>		—	
		405,669		<u>—</u>	
Creditors: Amounts Falling due Within One Year	17	<u>173,511</u>		<u>—</u>	
Net Current Assets			<u>232,158</u>		<u>—</u>
Total Assets Less Current Liabilities			<u>633,936</u>		<u>—</u>
Capital and Reserves					
Called-up equity share capital	26		399,925		—
Share premium account	27		213,380		—
Profit and loss account	32		<u>20,631</u>		<u>—</u>
Shareholders' Funds			<u>633,936</u>		<u>—</u>

These financial statements were approved by the directors and authorised for issue on 12th January 2011, and are signed on their behalf by:

T J Z Winnifrith
Director

Company Registration Number: 004989V

The notes on pages 16 to 46 form part of these financial statements.

Rivington Street Holdings plc

Group Cash Flow Statement

Year Ended 31st August 2010

	Note	2010 £	2009 £
Net Cash Inflow from Operating Activities	34	169,191	447,034
Returns on Investments and Servicing of Finance	34	(27,761)	5,772
Taxation	34	(180,807)	(167,954)
Capital Expenditure and Financial Investment	34	(544,845)	(436,826)
Acquisitions and Disposals	34	(209,119)	362,768
Cash (Outflow)/Inflow Before Financing		(793,341)	210,794
Financing	34	276,005	289
(Decrease)/Increase in Cash	34	(517,336)	211,083

The notes on pages 16 to 46 form part of these financial statements.

Rivington Street Holdings plc
Notes to the Financial Statements
Year Ended 31st August 2010

1. Accounting Policies

Basis of Accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards, subject to the departures referred to below.

The financial statements have been prepared under the historical cost convention and in accordance with the Isle of Man Companies Act 2006.

The financial statements have been drawn up to comply with applicable accounting standards generally accepted in the Isle of Man, subject to the departures referred to below.

(i) - current asset investments are stated at their current cost.

(ii) - in the sub-consolidation of Rivington Street Holdings (UK) Limited and the rest of the group, reverse acquisition accounting has been adopted, described below, which constitutes a true and fair override departure from Isle of Man accounting standards.

Rivington Street Holdings plc
Notes to the Financial Statements
Year Ended 31st August 2010

1. Accounting Policies (continued)

Basis of Consolidation

Consolidation of Rivington Street Holdings plc and Rivington Street Holdings (UK) Limited (formerly Rivington Street Holdings plc)

The acquisition of Rivington Street Holdings (UK) Limited (formerly Rivington Street Holdings plc) has been accounted for as a merger under the provisions of Financial Reporting Standard No.6 "Acquisitions and mergers" and the results are presented as if Rivington Street Holdings (UK) Limited (formerly Rivington Street Holdings plc) had been owned by Rivington Street Holdings plc throughout the year and the previous year. The corresponding amounts for the previous year in the consolidated profit and loss account and the consolidated balance sheet have been presented as though the ordinary shares issued in connection with the merger had been in issue for the whole of that year.

These consolidated accounts of Rivington Street Holdings plc reflect the company results for the 7 months from incorporation to 31st August 2010 and the subsidiaries results for the 12 months to 31st August 2010. Due to the merger accounting treatment used, the comparatives reflect the results for the acquired Rivington Street group for the 12 months to 31st August 2009.

As a consolidated profit and loss account is published, a separate profit and loss account for the parent company is omitted from the group financial statements.

Other subsidiaries acquired by the company during the period are accounted for under the acquisition method of accounting and goodwill on consolidation is capitalised and written off over its estimated useful life. Profits and losses on intra-group transactions are eliminated in full. On acquisition of a subsidiary, all of the subsidiary's assets and liabilities which exist at the date of acquisition are reflected at their fair values reflecting their condition at that date.

Consolidation of Rivington Street Holdings (UK) Limited (formerly Rivington Street Holdings plc) and the rest of the group

In order to give a true and fair view of the acquisition by Rivington Street Holdings (UK) Limited (formerly Rivington Street Holdings plc) of Rivington Street Media Limited and its' subsidiaries the directors have adopted reverse acquisition accounting as the basis of consolidation.

On 28th November 2008 Rivington Street Holdings (UK) Limited, became the legal parent company of Rivington Street Media Limited, in a share for share transaction. Due to the values of the companies, the former Rivington Street Media Limited shareholders became the majority shareholders with 82.4 per cent of the enlarged share capital. Following the transaction the company's continuing operations and executive management were those of Rivington Street Media Limited. Accordingly the substance of the combination was that Rivington Street Media Limited acquired Rivington Street Holdings (UK) Limited in a reverse acquisition.

Applicable law and accounting standards would normally require the consolidated accounts to follow the legal form of the business combination. However this would portray the combination as an acquisition of Rivington Street Media Limited by Rivington Street Holdings (UK) Limited and would, in the opinion of the directors, fail to give a true and fair view of the substance of the business combination. Accordingly, the directors have adopted reverse acquisition accounting as the basis of consolidation in order to give a true and fair view.

Goodwill arises on the difference between the fair value of Rivington Street Holdings (UK) Limited share capital and fair value of its net assets at the reverse acquisition date.

The reverse acquisition consolidated results therefore represent the net book values brought into the new group following the merger into the new group mentioned above.

Rivington Street Holdings plc
Notes to the Financial Statements
Year Ended 31st August 2010

1. Accounting Policies (continued)

Turnover

Turnover represents the total value of sales made and commissions receivable during the year, excluding Value Added Tax. Subscriptions receivable are credited to the profit and loss account evenly over the subscription term. Advertising revenues are credited when services are rendered and research sales on a weighted average basis over the term of the contract. Introduction fees are recognised equally at the beginning and end of the admissions period and fundraising fees are recognised only on completion of the relevant project. Retainer fees are credited evenly over the contract period. Conference income is recognised at the time of the event to which it relates. Revenue from other professional services is recognised as earned when, and to the extent that, the group obtains the right to consideration in exchange for its performance under these contracts. Revenue is generally recognised as contract activity progresses so that for incomplete contracts it reflects the partial performance of the contractual obligations by reference to the value of work performed. Revenue not billed to clients is included in debtors and invoices on account in excess of the relevant amount of revenue are included in deferred income.

Goodwill

Positive purchased goodwill arising on acquisitions is capitalised, classified as an asset on the balance sheet and amortised over its estimated useful life. Goodwill is reviewed for impairment at the end of the first full financial year following each acquisition and subsequently as deemed necessary if circumstances emerge that indicate that the carrying value may not be recoverable.

Amortisation

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

Purchased goodwill	- between three and ten years
Goodwill on consolidation	- over ten years

Fixed Assets

All fixed assets are initially recorded at cost.

Depreciation

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

Leasehold property	- over the term of the lease
Computer equipment	- 33% straight line
Office equipment	- 25% straight line
Websites	- 50% straight line
TV studio equipment	- 20% straight line

Finance Lease Agreements

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated in accordance with the above depreciation policies. Future instalments under such leases, net of finance charges, are included within creditors. Rentals payable are apportioned between the finance element, which is charged to the group profit and loss account on a straight line basis, and the capital element which reduces the outstanding obligation for future instalments.

Rivington Street Holdings plc
Notes to the Financial Statements
Year Ended 31st August 2010

1. Accounting Policies (continued)

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 group operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the group. The annual contributions payable are charged to the profit and loss account, as incurred.

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, or a right to pay less or to receive more tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.

Deferred tax assets are recognised only to the extent that the directors consider that it is 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 on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Foreign Currencies

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

Rivington Street Holdings plc
Notes to the Financial Statements
Year Ended 31st August 2010

1. Accounting Policies (continued)

Share-Based Payments

The group issues equity-settled share-based payments to certain employees (including directors). Equity-settled share-based payments are measured at fair value 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, together with a corresponding increase in equity, based upon the group's estimate of the shares that will eventually vest.

Fair value is measured using the estimated net assets of the group and projected future profits. 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.

Where the terms of an equity-settled transaction are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the value of the transaction as a result of the modification, as measured at the date of modification.

Where an equity-settled transaction is cancelled, it is treated as if it had vested on the date of the cancellation, and any expense not yet recognised for the transaction is recognised immediately. However, if a new transaction is substituted for the cancelled transaction, and designated as a replacement transaction on the date that it is granted, the cancelled and new transactions are treated as if they were a modification of the original transaction, as described in the previous paragraph.

Current Asset Investments

The alternative accounting method is applied, where investments are valued at current cost.

Liquid Resources

Liquid resources comprise assets held as a readily disposable store of value.

2. Turnover

Turnover is attributable to the principal activities of the group which has not been disclosed segmentally. An analysis of profit before taxation between geographical location and each major class of business has not been provided as the directors believe it would be seriously prejudicial to the interests of the company and the group.

3. Analysis of Cost of Sales and Net Operating Expenses

	Continuing operations £	Acquired operations £	Total £
Year Ended 31st August 2010			
Cost of sales	<u>536,456</u>	<u>1,316,678</u>	<u>1,853,134</u>
Administrative expenses	3,174,001	1,450,111	4,624,112
Other operating income	<u>(88,301)</u>	<u>(5,350)</u>	<u>(93,651)</u>
Net operating expenses	<u>3,085,700</u>	<u>1,444,761</u>	<u>4,530,461</u>

Rivington Street Holdings plc
Notes to the Financial Statements
Year Ended 31st August 2010

3. Analysis of Cost of Sales and Net Operating Expenses
(continued)

	Continuing operations	Acquired operations	Total
	£	£	£
Year Ended 31st August 2009			
Cost of sales	<u>572,431</u>	<u>-</u>	<u>572,431</u>
Administrative expenses	3,300,635	-	3,300,635
Other operating income	<u>(89,928)</u>	<u>-</u>	<u>(89,928)</u>
Net operating expenses	<u>3,210,707</u>	<u>-</u>	<u>3,210,707</u>

4. Operating (Loss)/Profit

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

	2010	2009
	£	£
Amortisation of intangible assets	629,295	352,186
Depreciation of owned fixed assets	252,458	171,138
Depreciation of assets held under finance lease agreements	2,312	-
Loss on disposal of fixed assets	-	16,750
Profit on disposal of current asset investments	(42,500)	(63,462)
Operating lease costs:		
- Plant and equipment	8,639	-
- Other	89,859	-
Net loss/(profit) on foreign currency translation	10,097	(160)
Auditor's remuneration	<u>74,000</u>	<u>36,000</u>

	2010	2009
	£	£
Auditor's remuneration - audit of the financial statements	<u>74,000</u>	<u>36,000</u>

Rivington Street Holdings plc
Notes to the Financial Statements
Year Ended 31st August 2010

5. Particulars of Employees

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

	2010	<i>2009</i>
	No	<i>No</i>
Number of administrative staff	71	<i>43</i>
Number of management staff	14	<i>8</i>
	<u>85</u>	<u><i>51</i></u>

The aggregate payroll costs of the above were:

	2010	<i>2009</i>
	£	<i>£</i>
Wages and salaries	2,958,827	<i>1,601,232</i>
Social security costs	375,262	<i>195,250</i>
Other pension costs	11,702	<i>4,950</i>
Equity-settled share-based payments	69,526	<i>88,442</i>
	<u>3,415,317</u>	<u><i>1,889,874</i></u>

6. Directors' Remuneration

The directors' aggregate remuneration and other payments in respect of qualifying services were:

	2010	<i>2009</i>
	£	<i>£</i>
Remuneration receivable	131,574	<i>316,661</i>
Gains made on the exercise of share options	27,167	<i>236,308</i>
Value of company pension contributions to money purchase schemes	-	<i>4,950</i>
Compensation for loss of directorship	15,000	<i>-</i>
	<u>173,741</u>	<u><i>557,919</i></u>

Remuneration of highest paid director:

	2010	<i>2009</i>
	£	<i>£</i>
Total remuneration (excluding pension contributions)	<u>117,817</u>	<u><i>103,394</i></u>

The number of directors who accrued benefits under company pension schemes was as follows:

	2010	<i>2009</i>
	No	<i>No</i>
Money purchase schemes	<u>-</u>	<u><i>1</i></u>

The comparative information shown above is that of Rivington Street Holdings (UK) Limited and its subsidiaries for the year ended 31st August 2009.

7. Exceptional Profit on Disposal of Fixed Assets

All tangible fixed assets held at the group's central London premises were destroyed by a fire on 11th March 2010. The exceptional profit on disposal represents the excess of the insurance proceeds received over the net book value of the assets destroyed.

Rivington Street Holdings plc
Notes to the Financial Statements
Year Ended 31st August 2010

8. Interest Payable and Similar Charges

	2010	2009
	£	£
Interest payable on bank borrowing	28,824	2,960
Other similar charges payable	1,924	1,587
	<u>30,748</u>	<u>4,547</u>

9. Taxation on Ordinary Activities

(a) Analysis of charge in the year

	2010	2009
	£	£
Current tax:		
In respect of the year:		
UK Corporation tax based on the results for the year		
Corporation tax charge	12,065	72,734
Total current tax	12,065	72,734
Deferred tax:		
Origination and reversal of timing differences	25,590	(5,892)
Tax on (loss)/profit on ordinary activities	<u>37,655</u>	<u>66,842</u>

At the period end there is an unprovided deferred tax asset of £278,084 (2009: £29,193) in relation to future capital allowances and unused trading losses that may be set against future trading profits.

The Isle of Man operates a zero rate of Corporation Tax and therefore no charge arises on profits generated there during the year.

Rivington Street Holdings plc
Notes to the Financial Statements
Year Ended 31st August 2010

9. Taxation on Ordinary Activities (continued)

(b) Factors affecting current tax charge

The tax assessed on the (loss)/profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 28% (2009 - 28%).

The company and its Isle of Man based subsidiaries conduct their affairs from the Isle of Man and do not carry on their businesses in the UK. On this basis these companies are not liable to UK taxation.

	2010	2009
	£	£
(Loss)/profit on ordinary activities before taxation	<u>(92,084)</u>	<u>300,317</u>
(Loss)/profit on ordinary activities by rate of tax	(25,784)	84,089
Expenses not deductible for tax purposes	128,158	111,636
Depreciation for period in excess of capital allowances	(560)	14,790
Utilisation of tax losses	(31,807)	(42,356)
Unrelieved tax losses	183,289	-
Relief for employee share options exercised	(208,797)	(80,169)
Income not subject to tax	(38,422)	-
Profits chargeable at lower Corporation Tax rates	(1,761)	(9,109)
Sundry tax adjusting items	<u>7,749</u>	<u>(6,147)</u>
Total current tax (note 9(a))	<u>12,065</u>	<u>72,734</u>

(c) Factors that may affect future tax charges

At the 31st August 2010 group companies had Corporation Tax losses available for relief against future trading profits totalling £943,953 (2009: £176,835).

10. Profit Attributable to Members of the Parent Company

The profit dealt with in the financial statements of the parent company, Rivington Street Holdings plc was £20,631 (2009 - £Nil).

11. Earnings Per Share

The basic earnings per ordinary share is calculated by dividing profit for the year less non-equity dividends and other appropriations in respect of non-equity shares by the weighted average number of equity shares outstanding during the year.

The diluted earnings per ordinary share is calculated by dividing profit for the year less non-equity dividends and other appropriations in respect of non-equity shares by the weighted average number of equity shares outstanding during the year (after adjusting both figures for the effect of dilutive potential ordinary shares).

The calculation of diluted earnings per share assumes conversion of all potentially dilutive ordinary shares, which arise from share options and convertible debt (2009 – share options). For share options, a calculation is made to determine the number of shares that could have been acquired at fair value, based upon the monetary value of the subscription rights attached to outstanding share options. For convertible debt, a calculation is made to determine the interest saving (net of tax) and ordinary shares obtainable on conversion. In the current year, the share options and convertible debt are both anti-dilutive and therefore dilutive potential ordinary shares is nil (2009 – 9,076,762).

Rivington Street Holdings plc
Notes to the Financial Statements
Year Ended 31st August 2010

11. Earnings Per Share (continued)

The calculation of basic and diluted earnings per ordinary share is based upon the following data:

Earnings	2010	2009
	£	£
Earnings for the purposes of basic earnings per share	(129,739)	233,475
Earnings for the purposes of diluted earnings per share	(129,739)	233,475
Number of shares	2010	2009
	No	No
Basic weighted average number of shares	35,818,724	28,311,501
Dilutive potential ordinary shares:		
Options	-	9,076,762
Weighted average number of shares for the purposes of diluted earnings per share	35,818,724	37,388,263

12. Intangible Fixed Assets

Group	Intangibles	Goodwill	Total
	£	£	£
Cost			
At 1st September 2009	3,724	3,530,763	3,534,487
Additions	23,920	6,019,312	6,043,232
Disposals	-	(75,081)	(75,081)
At 31st August 2010	27,644	9,474,994	9,502,638
Amortisation			
At 1st September 2009	2,778	577,691	580,469
Charge for the year	276	629,019	629,295
On disposals	-	(75,081)	(75,081)
At 31st August 2010	3,054	1,131,629	1,134,683
Net Book Value			
At 31st August 2010	24,590	8,343,365	8,367,955
At 31st August 2009	946	2,953,072	2,954,018

Rivington Street Holdings plc
Notes to the Financial Statements
Year Ended 31st August 2010

12. Intangible Fixed Assets (continued)

The increase in goodwill includes £1,863,893 goodwill on consolidation, representing the excess of the fair value of the consideration given over the fair value of the identifiable net assets of the subsidiaries acquired in the year. Further details of these acquisitions are disclosed in note 14. Also included is £2,596,783 arising on the acquisition of the goodwill, staff and contracts of the Financial Markets division of Corero plc and £1,558,636 arising from the acquisition of Viewpoint Field Services Limited. Further details of the Corero plc acquisition are given in note 36.

Additions to intangibles represent the purchase of future trading rights and domain names during the year.

13. Tangible Fixed Assets

Group	Leasehold property £	Computer equipment £	Office equipment £	Websites £	TV Studio equipment £	Total £
Cost						
At 1 Sep 2009	291,668	150,083	43,340	285,210	65,302	835,603
Additions	368,738	219,201	110,107	68,053	–	766,099
Disposals	(292,857)	(190,585)	(67,125)	–	(65,302)	(615,869)
Transfers	–	(10,000)	–	10,000	–	–
At 31 Aug 2010	<u>367,549</u>	<u>168,699</u>	<u>86,322</u>	<u>363,263</u>	<u>–</u>	<u>985,833</u>
Depreciation						
At 1 Sep 2009	170,373	78,787	32,761	162,669	37,023	481,613
Charge for the year	83,825	36,211	29,740	97,375	7,619	254,770
On disposals	(207,785)	(137,016)	(54,295)	–	(44,642)	(443,738)
Transfers	–	(1,945)	–	1,945	–	–
At 31 Aug 2010	<u>46,413</u>	<u>(23,963)</u>	<u>8,206</u>	<u>261,989</u>	<u>–</u>	<u>292,645</u>
Net Book Value						
At 31 Aug 2010	<u>321,136</u>	<u>192,662</u>	<u>78,116</u>	<u>101,274</u>	<u>–</u>	<u>693,188</u>
At 31 Aug 2009	<u>121,295</u>	<u>71,296</u>	<u>10,579</u>	<u>122,541</u>	<u>28,279</u>	<u>353,990</u>

All tangible fixed assets held at the group's central London premises were destroyed by a fire on 11th March 2010. The disposal proceeds above represent apportioned amounts of the group insurance claim.

Finance lease agreements

Included within the net book value of £693,188 is £80,908 (2009 - £Nil) relating to assets held under finance lease agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £2,312 (2009 - £Nil).

Rivington Street Holdings plc
Notes to the Financial Statements
Year Ended 31st August 2010

13. Tangible Fixed Assets (continued)

Company	Computer equipment £	Office equipment £	Total £
Cost			
Additions	6,490	2,967	9,457
At 31st August 2010	<u>6,490</u>	<u>2,967</u>	<u>9,457</u>
Depreciation			
Charge for the year	451	223	674
At 31st August 2010	<u>451</u>	<u>223</u>	<u>674</u>
Net Book Value			
At 31st August 2010	<u>6,039</u>	<u>2,744</u>	<u>8,783</u>
At 31st August 2009	<u>-</u>	<u>-</u>	<u>-</u>

14. Investments

Group	Unlisted investments £
Cost	
At 1st September 2009	21,189
Additions	20,000
At 31st August 2010	<u>41,189</u>
Impairment	
At 1st September 2009 and 31st August 2010	<u>11,750</u>
Net Book Value	
At 31st August 2010	<u>29,439</u>
At 31st August 2009	<u>9,439</u>

Unlisted investment additions represent a minority stake in Flatlands Limestone Limited, a company incorporated in Canada. Subsequent events relating to this investment are disclosed in note 35.

Rivington Street Holdings plc
Notes to the Financial Statements
Year Ended 31st August 2010

14. Investments (continued)

All of the group's subsidiaries have been included in the consolidated results. The subsidiaries are as follows:-

	Country of incorporation	Holding	Proportion of voting rights and shares held	Nature of business
Directly held:				
Rivington Street Holdings (UK) Ltd	England	Ordinary shares	100%	Intermediate holding company
Rivington Street Ventures Ltd	Isle of Man	Ordinary shares	100%	Intermediate holding company
Rivington Street Sales & Conferences Ltd	Isle of Man	Ordinary shares	100%	Website sales and conferences
Indirectly held:				
Rivington Street Media Ltd	England	Ordinary shares	100%	Intermediate holding company
t1ps.com Ltd	England	Ordinary shares	100%	Subscription based financial websites
Bishopgate Communications Ltd	England	Ordinary shares	100%	Financial public relations
Rivington Street Corporate Finance Ltd	England	Ordinary shares	100%	Corporate finance arrangers
Sharecrazy.com Ltd	England	Ordinary shares	100%	Share information and trading
t1ps Investment Management Ltd	England	Ordinary shares	100%	Fund management
Oilbarrel.com Ltd	England	Ordinary shares	100%	Corporate internet services
Bluecurve Ltd	England	Ordinary shares	100%	Software solution support
Presentation Matters Ltd	England	Ordinary shares	100%	Conference and exhibition facilitation
Viewpoint Field Services Ltd	England	Ordinary shares	100%	Respondent recruitment and focus group facilities
Rosslyn Research Ltd	England	Ordinary shares	100%	Marketing consultants and agents

Rivington Street Holdings plc
Notes to the Financial Statements
Year Ended 31st August 2010

14. Investments (continued)

Company	Group companies £
Cost	
Additions	392,995
At 31st August 2010	<u>392,995</u>
Net Book Value	
At 31st August 2010	<u>392,995</u>
At 31st August 2009	<u>-</u>

On 11th June 2010 the company acquired the entire share capital of Rivington Street Holdings (UK) Limited (formerly Rivington Street Holdings plc), comprising 39,299,351 ordinary 1p shares, by way of a one-for-one share exchange.

Significant acquisitions

On 11th August 2010 the group acquired Presentation Matters Limited for a deferred cash consideration of £269,829. Goodwill arising on the acquisition of Presentation Matters Limited of £272,971 has been capitalised and will be amortised over 10 years. The investment in Presentation Matters Limited has been included in the company's balance sheet at its fair value at the date of acquisition.

Analysis of the acquisition of Presentation Matters Limited:

	Book value £	Revaluation £	Fair value to group £
Cash	20,863	-	20,863
Tangible fixed assets	757	-	757
Debtors	37,362	-	37,362
Creditors	<u>(62,124)</u>	<u>-</u>	<u>(62,124)</u>
	<u>(3,142)</u>	<u>-</u>	<u>(3,142)</u>
Goodwill			272,971
			<u>269,829</u>
Satisfied by:			
Deferred cash consideration			<u>269,829</u>

The summarised profit and loss account of Presentation Matters Limited for the period from 1st October 2009 to the effective date of acquisition is as follows:

Turnover	£ 268,721
Profit before taxation	27,675
Taxation	4,038
Profit after taxation	<u>31,713</u>

The company's reported loss after tax for the year ended 30th September 2009 amounted to (£11,022).

Rivington Street Holdings plc
Notes to the Financial Statements
Year Ended 31st August 2010

14. Investments (continued)

On 31st January 2010 the group acquired Rosslyn Research Limited for a consideration of £55,000 satisfied entirely in shares. Goodwill arising on the acquisition of Rosslyn Research Limited of £456,777 has been capitalised and will be amortised over 10 years. The investment in Rosslyn Research Limited has been included in the company's balance sheet at its fair value at the date of acquisition.

Analysis of the acquisition of Rosslyn Research Limited:

	Book value £	Revaluation £	Fair value to group £
Cash	(218,057)	-	(218,057)
Debtors	295,135	-	295,135
Creditors	(478,855)	-	(478,855)
	<u>(401,777)</u>	<u>-</u>	<u>(401,777)</u>
Goodwill			456,777
			<u>55,000</u>
Satisfied by:			
Shares issued			<u>55,000</u>

The summarised profit and loss account of Rosslyn Research Limited for the period from 1st October 2009 to the effective date of acquisition is as follows:

Turnover	£ <u>320,603</u>
Loss before taxation	(67,729)
Taxation	-
Loss after taxation	<u>(67,729)</u>

The company's reported loss after tax for the year ended 30th September 2009 amounted to (£87,316).

Rivington Street Holdings plc
Notes to the Financial Statements
Year Ended 31st August 2010

14. Investments (continued)

On 31st January 2010 the group acquired Viewpoint Field Services Limited for a consideration of £1,740,406 satisfied in cash and shares. Goodwill arising on the acquisition of Viewpoint Field Services Limited of £1,134,145 has been capitalised and will be amortised over 10 years. The investment in Viewpoint Field Services Limited has been included in the company's balance sheet at its fair value at the date of acquisition.

Analysis of the acquisition of Viewpoint Field Services Limited:

	Book value £	Revaluation £	Fair value to group £
Cash	64,721	-	64,721
Intangible Fixed Assets	1,558,636	-	1,558,636
Tangible fixed assets	46,673	-	46,673
Debtors	446,109	(55,959)	390,150
Creditors	(1,916,109)	462,190	(1,453,919)
	<u>200,030</u>	<u>406,231</u>	<u>606,261</u>
Goodwill			<u>1,134,145</u>
			<u>1,740,406</u>
Satisfied by:			
Costs of acquisition			56,520
Shares issued			1,320,000
Novated creditors			363,886
			<u>1,740,406</u>

Fair value adjustments relate to net liabilities which the group is no longer required to pay as a consequence of the acquisition agreement.

The summarised profit and loss account of Viewpoint Field Services Limited for the period from 1st October 2009 to the effective date of acquisition is as follows:

Turnover	£ <u>1,026,093</u>
Loss before taxation	<u>(598,972)</u>
Taxation	-
Loss after taxation	<u>(598,972)</u>

The company's reported loss after tax for the year ended 30th September 2009 amounted to (£183,768).

Rivington Street Holdings plc
Notes to the Financial Statements
Year Ended 31st August 2010

14. Investments (continued)

On 31st August 2010 the group completed the part sale of its investment in Pathway One plc.

Analysis of the part disposal of Pathway One plc:

	£
Net assets disposed of:	
Investments	55,847
Cash at bank	2,820
Liabilities	(50,714)
Less: Group retained interest	(1,916)
Minority interest eliminated	14,890
	20,927
Profit on disposal	10,017
	30,944
Satisfied by:	
Consideration	30,944

During the year Pathway One plc contributed a profit of £53,196 to the group's profit and loss until the date of disposal. On disposal the group retained an interest of 24.09% in Pathway One plc, the surrogate cost of which is included within current asset investments.

15. Debtors

	<i>Group</i>		<i>Company</i>	
	2010	2009	2010	2009
	£	£	£	£
Trade debtors	1,179,073	526,530	3,728	–
Amounts owed by group undertakings	–	–	343,334	–
Amounts owed by undertakings in which the company has a participating interest	–	15,000	–	–
S.419 tax recoverable	16,515	16,515	–	–
VAT recoverable	–	–	13,275	–
Other debtors	393,964	86,005	21,196	–
Prepayments and accrued income	412,870	224,994	23,992	–
	2,002,422	869,044	405,525	–

16. Investments

	<i>Group</i>		<i>Company</i>	
	2010	2009	2010	2009
	£	£	£	£
Other investments	680,251	647,991	–	–

All investments are listed and are revalued to be included at current cost. As these are listed investments there is no difference between current cost and market value.

The movement in group investments during the year includes additions at cost of £994,231 less disposals at cost of £853,345 and a decrease on revaluation of £108,626.

Rivington Street Holdings plc
Notes to the Financial Statements
Year Ended 31st August 2010

17. Creditors: Amounts Falling due Within One Year

	<i>Group</i>		<i>Company</i>	
	2010 £	2009 £	2010 £	2009 £
Bank loans	198,831	–	–	–
Trade creditors	908,952	228,795	52,684	–
Amounts owed to group undertakings	–	–	59,673	–
Finance lease agreements	45,347	–	–	–
Other creditors including taxation:				
Corporation tax	25,001	193,846	–	–
Other taxes and social security	415,162	155,742	4,583	–
Other creditors	1,173,084	26,357	–	–
Accruals and deferred income	1,627,644	920,527	56,571	–
	<u>4,394,021</u>	<u>1,525,267</u>	<u>173,511</u>	<u>–</u>

Other creditors include:

- Loans totalling £222,601 (2009 - £nil) secured on certain trade debtors. Interest is charged at 3.0% above bank base rate.

- Deferred consideration totalling £435,750 (2009 - £nil) relating to the original acquisition by Viewpoint Field Services Limited of its trade and assets.

- Deferred consideration totalling £269,829 (2009 - £nil) relating to the acquisition of Presentation Matters Limited.

- Unsecured loan notes totalling £154,040 (2009 - £nil) which accrue interest at 10% per annum and are convertible into ordinary shares of 1p each at a conversion price of 50p per share. These loan notes are redeemable or convertible at any date prior to the final redemption date in 2014.

Accruals and deferred income includes an amount of £1,256,786 in respect of non-refundable income (2009 - £795,245).

Bank borrowings of up to £50,000 (2009 - £85,000) are secured against subsidiary assets.

Rivington Street Holdings plc
Notes to the Financial Statements
Year Ended 31st August 2010

18. Creditors: Amounts Falling due after More than One Year

	Group		Company	
	2010	2009	2010	2009
	£	£	£	£
Unsecured loan stock	2,127,781	–	–	–
Bank loans	12,385	–	–	–
Finance lease agreements	52,436	–	–	–
Shares classed as financial liabilities	50,000	50,000	–	–
	<u>2,242,602</u>	<u>50,000</u>	<u>–</u>	<u>–</u>

Shares classed as financial liabilities are 50,000 redeemable cumulative convertible preference shares of £1 each issued by Oilbarrel.com Limited. These shares are entitled to a preference dividend of 2% above Bank of Scotland base rate, payable only from distributable profits. As no such profits have arisen, no such dividends have been paid to date. However, when these reserves become available, the full accumulated dividend, which has been accrued in the financial statements, will become payable.

The preference shares are convertible into an equivalent number of Oilbarrel.com Limited ordinary 10p shares at a premium of 90p or redeemable from distributable profits at any time after a resolution authorising such a conversion is passed by a majority of the holders of those shares.

The unsecured loan stock, which bears interest at an average rate of 7.52%, comprises £2,000,000 redeemable in 2015, bearing interest at 8% and £127,781 redeemable between 2012 and 2013. All unsecured loan stock is subject to a guarantee from the company and is redeemable for cash only.

The bank loan is secured on certain other assets by way of a debenture and is subject to guarantees from J E Green and the company. Interest is charged at 3.50% above the bank base rate.

19. Creditors - Capital Instruments

Creditors include finance capital which is due for repayment as follows:

	Group		Company	
	2010	2009	2010	2009
	£	£	£	£
Amounts repayable:				
In one year or less or on demand	198,831	–	–	–
In more than one year but not more than two years	12,385	–	–	–
In more than two years but not more than five years	2,127,781	–	–	–
	<u>2,338,997</u>	<u>–</u>	<u>–</u>	<u>–</u>

20. Commitments under Finance Leases Agreements

Future commitments under finance leases agreements are as follows:

	Group		Company	
	2010	2009	2010	2009
	£	£	£	£
Amounts payable within 1 year	45,347	–	–	–
Amounts payable between 2 to 5 years	52,436	–	–	–
	<u>97,783</u>	<u>–</u>	<u>–</u>	<u>–</u>

Rivington Street Holdings plc
Notes to the Financial Statements
Year Ended 31st August 2010

21. Deferred Taxation

The movement in the deferred taxation provision during the year was:

	<i>Group</i>		<i>Company</i>	
	2010 £	2009 £	2010 £	2009 £
Provision brought forward	1,251	240	-	-
Increase/(Decrease) in provision	25,590	(5,892)	-	-
Provision acquired in the year	-	6,903	-	-
Provision carried forward	<u>26,841</u>	<u>1,251</u>	<u>-</u>	<u>-</u>

The group's provision for deferred taxation consists of the tax effect of timing differences in respect of:

Group	2010		2009	
	Provided £	Unprovided £	Provided £	Unprovided £
Excess of taxation allowances over depreciation on fixed assets	26,841	(13,777)	1,251	11,159
Tax losses available	-	(264,307)	-	(37,129)
	<u>26,841</u>	<u>(278,084)</u>	<u>1,251</u>	<u>(25,970)</u>

22. Share-Based Payments

Equity-settled share-based payments

	2010		2009	
	No	WAEP £	No	WAEP £
Outstanding at the beginning of the year	11,342,124	0.04	11,420,925	0.04
Granted during the year	-	-	1,037,496	0.39
Forfeited during the year	(181,370)	0.18	(178,500)	0.04
Exercised during the year	(2,939,836)	0.05	(937,797)	0.06
Cancelled during the year	(7,351,504)	0.04	-	-
Outstanding at the end of the year	<u>869,414</u>	<u>0.41</u>	<u>11,342,124</u>	<u>0.04</u>
Exercisable at the end of the year	<u>162,750</u>	<u>0.04</u>	<u>547,940</u>	<u>0.09</u>

The weighted average share price at the date of exercise for share options exercised during the year was £0.04.

Rivington Street Holdings plc
Notes to the Financial Statements
Year Ended 31st August 2010

22. Share-Based Payments (continued)

The group has a share option scheme for 38 employees (including directors). Options are exercisable at a price equal to the average market price of the company's shares on the date of grant. The vesting period is 2 years and the options are settled in equity once exercised.

If the options remain unexercised after a period of 10 years from the date of grant, the options expire. Options are forfeited if the employee leaves the group before the options vest.

The share options outstanding at the end of the year have a weighted average remaining contractual life of 8.14 years (2009 - 8.68 years) and have the following exercise prices:

Expiry date	Exercise price £	2010 No	2009 No
3rd July 2016	0.15	–	245,070
30th July 2016	0.04	–	132,452
30th April 2017	0.04	–	170,418
30th September 2017	0.04	–	88,830
12th May 2018	0.04	162,750	7,751,293
30th May 2018	0.04	–	1,916,565
13th October 2018	0.04	–	241,500
26th November 2018	0.50	706,664	795,996
		<u>869,414</u>	<u>11,342,124</u>

The group recognised total expenses of £69,526 (2009 - £88,442) related to equity-settled share-based payment transactions during the year.

The fair value of the options has been calculated using the Black Scholes methodology, adjusted for expected dividend yield, a risk free interest rate and expected volatility.

Expected volatility was calculated as the average of annualised standard deviations of daily continuously compounded returns on the company's shares, calculated back from the date of the grant. The expected life used in the model has been adjusted, based on the management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

On 15th August 2007 Loeb Aron & Co were granted an arranger warrant to acquire 122,000 ordinary shares in the Rivington Street Holdings Plc at a price of 90 pence per share. The liability arising under the warrant was settled by the group on 3rd November 2010.

23. Financial Risk Management Objectives and Policies

The group uses financial instruments other than derivatives, comprising cash liquid resources and various items such as debtors, creditors and other items that arise directly from its operations. The main purpose of these financial instruments is to finance in the group's operations.

The main risks arising from the group's financial instruments are interest rate risk, credit risk, liquidity risk and market price risk. The directors review and agree policies for managing these risks and these are summarised below.

Short term debtors and creditors have been excluded from the following disclosures.

Rivington Street Holdings plc
Notes to the Financial Statements
Year Ended 31st August 2010

23. Financial Risk Management Objectives and Policies
(continued)

Interest rate risk

The group finances its operations through equity financing to alleviate the interest rate risk. The interest rate exposure of the financial assets of the group as at 31st August 2010 relates wholly to floating interest rates in respect of cash at bank and is held in the following currencies.

	2010	2009
	£	£
Sterling - Cash at bank	<u>364,411</u>	<u>881,747</u>

Credit risk

The group monitors credit risk closely and considers that its current policies of credit checks meets its objectives of managing exposure to credit risk.

The group has no significant concentrations of credit risk. Amounts shown in the balance sheet best represent the maximum credit risk exposure in the event other parties fail to perform their obligations under financial instruments.

Liquidity risk

Liquidity risk is the risk of an entity encountering difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

Prudent liquidity risk management implies maintaining sufficient cash. The group monitors and maintains a level of bank balances deemed adequate to finance the group's operations.

Market Price Risk

The group is subject to market risk on its 'available for sale' financial assets. The group spreads its market risk by investing in a diverse portfolio.

Fair Value Estimation

All financial instruments are carried at amounts not materially different from their fair values at 31st August 2010.

Rivington Street Holdings plc
Notes to the Financial Statements
Year Ended 31st August 2010

24. Commitments under Operating Leases

At 31st August 2010 the group had annual commitments under non-cancellable operating leases as set out below.

Group	2010		2009	
	Land and buildings £	Other items £	Land and buildings £	Other items £
Operating leases which expire:				
Within 1 year	3,000	51,632	-	1,403
Within 2 to 5 years	234,805	52,436	96,000	-
	<u>237,805</u>	<u>104,068</u>	<u>96,000</u>	<u>1,403</u>

25. Related Party Transactions

Transactions and balances with related parties required to be disclosed under Financial Reporting Standard 8 are as follows:-

Transactions

Turnover includes fees of £6,000 (2009 - £nil) receivable from V22 London Limited, a company in which Mr D J P Oakley, a former group director, has a material interest.

Administrative expenses include rent paid of £5,167 (2009 - £nil) to Tony Othen & Associates Limited, a company in which Mr J A Othen, a group director, has a material interest.

Balances

Trade debtors include a balance of £4,038 due from V22 London Limited, a company in which Mr D J P Oakley, a former group director, has a material interest.

Other debtors include a balance of £8,660 due from Pathway One plc, a company in which the group has a participating interest.

Other creditors falling due within one year include a balance of £32,354 (2009 - £nil) due to Mr J A Othen, a group director.

Other creditors falling due within one year include a balance of £26,250 (2009 - £nil) due to Mr J Seydel, a group director.

Controlling party

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

26. Share Capital

Allotted and called up:

	2010		2009	
	No	£	No	£
39,992,521 Ordinary shares (2009 - 31,649,284) of £0.01 each	<u>39,992,521</u>	<u>399,925</u>	<u>31,649,284</u>	<u>316,493</u>

Rivington Street Holdings plc
Notes to the Financial Statements
Year Ended 31st August 2010

26. Share Capital (continued)

The share capital in the group balance sheet at 31st August 2009 reflected that of Rivington Street Holdings (UK) Limited, formerly Rivington Street Holdings plc, prior to the merger. This represented 31,649,284 called up and fully paid ordinary shares of 1p each.

Rivington Street Holdings (UK) Limited issued 5,000,000 ordinary shares of 1p each on 28th January 2010 at a price of 27.50p per share on the acquisitions of Viewpoint Field Services Limited and Rosslyn Research Limited.

Rivington Street Holdings (UK) Limited issued 317,460 ordinary shares of 1p each on 26th April 2010 at price of 31.50p per share.

Rivington Street Holdings (UK) Limited issued 2,918,097 ordinary shares of 1p each at various dates throughout the year at an average price of 5.20p per share in respect of employee share options exercised.

Rivington Street Holdings (UK) Limited cancelled 585,489 ordinary shares of 1p each during the year through open market purchases, representing 1.44% of the issued share capital. The aggregate consideration paid was £255,874.

Prior to its merger with Rivington Street Holdings plc, the issued share capital of Rivington Street Holdings (UK) Limited was 39,299,351 ordinary 1p shares.

On 11th June 2010, the company issued 39,299,351 ordinary 1p shares at par value in a one for one share exchange for the entire share capital of Rivington Street Holdings (UK) Limited, formerly Rivington Street Holdings plc.

On 28th June 2010 the company issued 332,135 ordinary shares of 1p each at a price of 31.20p per share in final satisfaction of the deferred consideration due on the acquisition of Rivington Street Corporate Finance Limited.

On 28th June 2010 the company issued 47,618 ordinary shares of 1p each at price of 31.50p per share in respect of directors' compensation for loss of office.

On 6th August 2010 the company issued 291,677 ordinary shares of 1p each at price of 34.50p per share.

The company issued 21,740 ordinary shares of 1p each at various dates throughout the year at an average price of 3.80p per share in respect of employee share options exercised.

27. Share Premium Account

	Group		Company	
	2010	2009	2010	2009
	£	£	£	£
Balance brought forward	665,657	329,582	-	-
Premium on shares issued in the year	1,758,628	496,263	213,380	-
Reverse acquisition adjustment	-	(160,188)	-	-
Transfer to merger reserve	(2,210,905)	-	-	-
Balance carried forward	<u>213,380</u>	<u>665,657</u>	<u>213,380</u>	<u>-</u>

Rivington Street Holdings plc
Notes to the Financial Statements
Year Ended 31st August 2010

28. Investments Revaluation Reserve

	Group		Company	
	2010	2009	2010	2009
	£	£	£	£
Balance brought forward	(51,000)	72,794	-	-
(Loss)/Gain arising on current asset investments	(108,626)	(123,794)	-	-
Transfer to profit and loss on disposal of current asset investments	25	-	-	-
Balance carried forward	<u>(159,601)</u>	<u>(51,000)</u>	<u>-</u>	<u>-</u>

29. Share Options Reserve

	Group		Company	
	2010	2009	2010	2009
	£	£	£	£
Balance brought forward as previously reported	116,687	-	-	-
Prior year adjustment	-	30,552	-	-
Balance brought forward restated	<u>116,687</u>	<u>30,552</u>	<u>-</u>	<u>-</u>
Recognition of equity-settled share-based payments in the year	69,526	101,757	-	-
Exercise of options during the year	(45,658)	(13,315)	-	-
Expiry of share options in the year	(91,257)	-	-	-
Forfeiture of share options in the year	(6,231)	(2,307)	-	-
Balance carried forward	<u>43,067</u>	<u>116,687</u>	<u>-</u>	<u>-</u>

30. Other Reserves

	Group		Company	
	2010	2009	2010	2009
	£	£	£	£
Capital redemption reserve:				
Balance brought forward	1,444	-	-	-
Purchase of own shares	5,855	1,444	-	-
Transfer to merger reserve	(7,299)	-	-	-
	<u>-</u>	<u>1,444</u>	<u>-</u>	<u>-</u>

	Group		Company	
	2010	2009	2010	2009
	£	£	£	£
Merger reserve:				
Balance brought forward	147,144	147,144	-	-
Transfer from share premium	2,210,905	-	-	-
Transfer from capital redemption reserve	7,299	-	-	-
Transfer from reverse acquisition reserve	1,896,111	-	-	-
	<u>4,261,459</u>	<u>147,144</u>	<u>-</u>	<u>-</u>

Rivington Street Holdings plc
Notes to the Financial Statements
Year Ended 31st August 2010

30. Other Reserves (continued)

	Group		Company	
	2010	2009	2010	2009
	£	£	£	£
Shares to be issued:				
Balance brought forward	103,626	518,130	-	-
(Decrease)/Increase in the period	(103,626)	(414,504)	-	-
	<u>-</u>	<u>103,626</u>	<u>-</u>	<u>-</u>

	Group		Company	
	2010	2009	2010	2009
	£	£	£	£
Reverse acquisition reserve:				
Balance brought forward	1,896,111	-	-	-
Increase in the period	-	1,896,111	-	-
Transfer to merger reserve	(1,896,111)	-	-	-
	<u>-</u>	<u>1,896,111</u>	<u>-</u>	<u>-</u>

31. Group Profit and Loss Account

	2010	2009
	£	£
Balance brought forward as previously reported	958,439	797,577
Prior year adjustment	-	(30,552)
Balance brought forward restated	958,439	767,025
(Loss)/profit for the financial year	(129,739)	239,081
Purchase of own shares	(255,874)	(49,974)
Cancellation or exercise of share options in the year	136,915	-
Forfeiture of share options in the year	6,231	2,307
Balance carried forward	<u>715,972</u>	<u>958,439</u>

32. Company Profit and Loss Account

	2010	2009
	£	£
Profit for the financial year	<u>20,631</u>	-
Balance carried forward	<u>20,631</u>	<u>-</u>

Rivington Street Holdings plc
Notes to the Financial Statements
Year Ended 31st August 2010

33. Reconciliation of Movements in Shareholders' Funds

	2010		2009	
	£	£	£	£
(Loss)/Profit for the financial year		(129,739)		239,081
New equity share capital subscribed	89,287		315,615	
Premium on new share capital subscribed	<u>1,758,628</u>		<u>336,075</u>	
		1,847,915		651,690
Purchase of own ordinary shares	(5,855)		(1,444)	
Premium on purchase of own ordinary shares	<u>(250,019)</u>		<u>(48,530)</u>	
		(255,874)		(49,974)
Increase in reverse acquisition reserve		-		1,896,111
(Decrease)/increase in shares to be issued reserve		(103,626)		(414,504)
Recognition of equity-settled share-based payments in the year		69,526		101,757
Exercise of options during the year		-		(13,315)
(Loss)/Gain arising on current asset investments		(108,626)		(123,794)
Transfer to profit and loss on disposal of current asset investments		25		-
Net addition to shareholders' funds		<u>1,319,601</u>		<u>2,287,052</u>
Opening shareholders' funds		<u>4,154,601</u>		<u>1,867,549</u>
Closing shareholders' funds		<u>5,474,202</u>		<u>4,154,601</u>

Company Reconciliation of Movements in Shareholders' Funds

	2010	2009
	£	£
Profit for the financial year	20,631	-
New equity share capital subscribed	399,925	-
Closing shareholders' funds	<u>420,556</u>	<u>-</u>

34. Notes to the Cash Flow Statement

Reconciliation of Operating (Loss)/Profit to Net Cash Inflow From Operating Activities

	2010	2009
	£	£
Operating (loss)/profit	(185,455)	296,088
Amortisation	629,295	352,186
Depreciation	254,770	171,138
Loss on disposal of fixed assets	-	16,750
Increase in debtors	(410,731)	(213,318)
Decrease in creditors	(160,713)	(200,780)
Exceptional profit on disposal of fixed assets	-	-
Equity-settled share-based payments	84,525	88,442
Profit on disposal of current asset investments	(42,500)	(63,472)
Net cash inflow from operating activities	<u>169,191</u>	<u>447,034</u>

Rivington Street Holdings plc
Notes to the Financial Statements
Year Ended 31st August 2010

34. Notes to the Cash Flow Statement (continued)

Returns on Investments and Servicing of Finance

	2010 £	2009 £
Interest received	2,987	8,776
Interest paid	(29,498)	(3,004)
Dividends on shares classed as financial liabilities	(1,250)	–
Net cash (outflow)/inflow from returns on investments and servicing of finance	<u>(27,761)</u>	<u>5,772</u>

Taxation

	2010 £	2009 £
Taxation	<u>(180,807)</u>	<u>(167,954)</u>

Capital Expenditure and Financial Investment

	2010 £	2009 £
Payments to acquire intangible fixed assets	(23,920)	–
Payments to acquire tangible fixed assets	(718,670)	(150,767)
Receipts from sale of fixed assets	283,246	1,063
Acquisition of fixed asset investments	(20,000)	(11,750)
Disposal of fixed asset investments	30,944	–
Disposal of current asset investments	895,870	180,710
Payment to acquire other current asset investments	(992,315)	(456,082)
Net cash outflow for capital expenditure and financial investment	<u>(544,845)</u>	<u>(436,826)</u>

Acquisitions and Disposals

	2010 £	2009 £
Cash paid to acquire subsidiaries	(76,646)	(324,224)
Net overdrafts/Net cash acquired with subsidiary	(132,473)	686,992
Net cash (outflow)/inflow from acquisitions and disposals	<u>(209,119)</u>	<u>362,768</u>

Financing

	2010 £	2009 £
Issue of equity share capital	32,573	9,378
Share premium on issue of equity share capital	221,088	40,885
Purchase of own equity shares	(5,855)	(1,444)
Premium on purchase of own equity shares	(250,019)	(48,530)
Increase in bank loans	180,435	–
Capital element of finance leases	97,783	–
Net cash inflow from financing	<u>276,005</u>	<u>289</u>

Rivington Street Holdings plc
Notes to the Financial Statements
Year Ended 31st August 2010

34. Notes to the Cash Flow Statement (continued)

Reconciliation of Net Cash Flow to Movement in Net Debt

	2010		2009	
	£	£	£	£
(Decrease)/increase in cash in the period	(517,336)		211,083	
Net cash (inflow) from bank loans	(180,435)		–	
Cash outflow in respect of finance leases	(97,783)		–	
Change in net debt resulting from cash flows		(795,554)		211,083
Change in net debt due to acquisition/disposal of trade/business		(2,158,562)		–
Other differences		–		(50,000)
Movement in net debt in the period		(2,954,116)		161,083
Net funds at 1 September 2009		831,747		670,664
Net debt at 31 August 2010		(2,122,369)		831,747

Rivington Street Holdings plc
Notes to the Financial Statements
Year Ended 31st August 2010

34. Notes to the Cash Flow Statement (continued)

Analysis of Changes in Net Debt

	At 1 Sep 2009 £	Cash flows £	Other changes £	At 31 Aug 2010 £
Net cash:				
Cash in hand and at bank	881,747	(517,336)	-	364,411
Debt:				
Debt due within 1 year	-	(198,831)	-	(198,831)
Debt due after 1 year	(50,000)	18,396	(2,158,562)	(2,190,166)
Finance lease agreements	-	(97,783)	-	(97,783)
	<u>(50,000)</u>	<u>(278,218)</u>	<u>(2,158,562)</u>	<u>(2,486,780)</u>
Net debt	<u>831,747</u>	<u>(795,554)</u>	<u>(2,158,562)</u>	<u>(2,122,369)</u>

Entities acquired during the year reduced the group's net operating cash flows by £677,670, paid £28,631 in respect of net returns on investments and the servicing of finance, paid a net £342,877 in respect of capital expenditure and financial investment and utilised £180,435 in respect of financing.

Non cash transactions

Additions to goodwill on consolidation include an amount of £55,000 in respect of the consideration due on the acquisition of Rosslyn Research Limited, satisfied in full by the issue of new equity shares.

Additions to goodwill on consolidation and purchased goodwill include a total amount of £1,320,000 in respect of the part of the consideration due on the acquisition of Viewpoint Field Services Limited, satisfied by the issue of new equity shares.

Additions to purchased goodwill include an amount of £2,228,410 in respect of the part of the consideration due on the acquisition of the trade and assets of the Financial Markets division of Corero plc satisfied, by the issue of new equity shares and unsecured loan notes.

Current asset investments include an amount of £108,626 in respect of unrealised losses arising on revaluation (2009 - loss £123,794).

Rivington Street Holdings plc
Notes to the Financial Statements
Year Ended 31st August 2010

35. Post Balance Sheet Events

On 12th October 2010, a newly incorporated subsidiary, t1ps Investment Management (IOM) Limited was granted a license by the Isle of Man Financial Supervision Commission to operate as a Fund Manager in the Isle of Man.

On 4th November 2010 the group acquired US based financial research software provider Jovus Inc, a company which compliments the group's existing Bluecurve business, for a total consideration of up to \$1.75 million. This was satisfied by \$50,000 in cash on completion and a loan note (with zero coupon) to the value of \$1.525 million. An additional loan note of \$0.175 million may be issued subject to the performance of the business in 2011. The loan notes are only redeemable for cash. The business will be merged with Bluecurve Limited to create the first truly global provider of financial research software.

On 26th November 2010 the group acquired the whole of the issued share capital of Quartzsite Medical Limited, a global distribution company, for a total consideration of £200,000. This is to be satisfied by two instalments of £100,000 each due in 12 and 24 months respectively.

On 26th November 2010 the group acquired the whole of the issued share capital of Biostability Limited, a developer of temperature stabilisation technologies, for an initial consideration of £1, with additional contingent payments representing 25% of all subsequent license, milestone or royalty income.

On 30th November 2010 the group entered into a farm-in agreement with Flatlands Limestone Limited whereby the group can increase its stake in the New Brunswick limestone quarry development project from 1% to 50.5%. This will be achieved by investing C\$200,000 in drilling activity to define the resource to Provincial standards and in bringing the quarry to a state of production readiness. This process is expected to be completed by the end of 2011.

On 16th December 2010 the group launched a new execution only low cost share broking service, JPJShare.com, operating from the group's head office in the Isle of Man through a newly incorporated subsidiary, Rivington Street Stockbrokers Limited. The platform aims to be the lowest cost service provider of its kind in the United Kingdom.

36. Other Acquisitions

On 6th August 2010 the group acquired the trade and assets of the Financial Markets division of Corero plc for a total consideration of £2,248,536. Goodwill arising on the acquisition of £2,596,783 has been capitalised and will be amortised over 10 years.

Analysis of the acquisition:

	Fair value and book value £
Book value - Deferred income acquired	(348,247)
Goodwill acquired	2,596,783
Satisfied by:	
Consideration paid - Unsecured loan notes	2,127,781
Consideration paid - Fair value of shares issued	100,629
Costs of acquisition	20,126
	2,248,536