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Headline Restated Interim Results
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Titanium Asset Management Corp
03 November 2008

Titanium Asset Management Corp. ("Titanium" or the "Company")

Restated Interim Accounts

Titanium has restated its interim accounts for the six months ended 30 June 2008 following its filing of a Form 10 registration statement with the SEC in July 2008 and as part of the process of that registration statement becoming effective, which occurred in September 2008.

On October 29, 2008, the Board of Directors of Titanium, including its Audit Committee, concluded that, as a result of losses of certain investment advisory accounts at Wood Asset Management, Inc. following the death of Gary Wood and the loss of an institutional account at Sovereign Holdings, LLC, its customer relationship intangible assets associated with the acquisitions were impaired. The impairment of these intangible assets is expected to result in a non-cash charge of approximately \$1.8 million for the quarter ended June 30, 2008. None of the impairment charge will result in future cash expenditures.

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Titanium Asset Management Corp.
Interim report and unaudited accounts for the period from
January 1, 2008 to June 30, 2008
(Restated)

BALANCE SHEET as at June 30, 2008 (Unaudited)
(amounts in thousands)

	<i>Note</i>	<i>June 30, 2008 (restated)</i>	<i>June 30, 2007</i>
ASSETS			
Current Assets			
Debtors - trade debtors		\$ 2,426	-
- prepaids and other receivables		1,302	-
Cash and cash equivalents		<u>31,138</u>	<u>25</u>
Total Current Assets		35,866	25
Other Assets			
Goodwill		29,419	-
Intangible assets		34,634	-
Property and equipment		190	-
Deferred tax asset		<u>1,128</u>	<u>-</u>
Total Other Assets		<u>65,371</u>	<u>-</u>

Total Assets		<u>\$ 101,237</u>	<u>25</u>
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current Liabilities			
Accrued expenses		\$ 537	-
Income taxes		31	-
Accounts payable		92	-
Deferred revenue		218	-
Guaranteed payment for acquisition		1,000	-
Other creditors		<u>37</u>	<u>-</u>
Total Current Liabilities		1,915	-
Guaranteed payment for acquisition		903	-
COMMITMENTS			
Stockholders' Equity			
Share capital	4	2	1
Additional paid in capital	5	99,462	24
Profit and loss account	5	<u>(1,045)</u>	<u>-</u>
Total Stockholders' Equity		<u>98,419</u>	<u>25</u>
Total Liabilities and Stockholders' Equity		<u>\$ 101,237</u>	<u>25</u>

Titanium Asset Management Corp.
Interim report and unaudited accounts for the period from January 1 ,
2008 to June 30, 2008

STATEMENT OF OPERATIONS

For the period from January 1,2008 to June 30, 2008

(amounts in thousands except per share amounts)

<i>6 months to</i>	<i>Inception</i>
<i>June 30,</i>	<i>(2 Feb</i>
<i>2008</i>	<i>2007)</i>
<i>(Restated)</i>	<i>to June</i>
	<i>30,2008</i>

Turnover	\$ 6,706	-
Amortisation and depreciation	(2,002)	
Impairment of intangible	(1,792)	-
Other operating expenses	<u>(5,988)</u>	<u>-</u>
Operating Loss	(3,076)	-
Interest receivable	<u>868</u>	<u>-</u>
Loss before taxes	(2,208)	-
Income tax (expense) benefit	<u>720</u>	<u>-</u>
Net Loss	<u>\$ (1,488)</u>	<u>-</u>
Net Loss Per Share, Basic	<u>(0.07)</u>	<u>-</u>
Net Loss Per Share, Fully Diluted	<u>(0.07)</u>	<u>-</u>
Weighted Average Shares Outstanding, Basic	<u>20.45mn</u>	<u>2.88 mn</u>
Weighted Average Shares Outstanding, Fully Diluted	<u>20.45mn</u>	<u>2.88 mn</u>

Titanium Asset Management Corp.

**Interim report and unaudited accounts for the period from January 1,
2008 to June 30, 2008**

STATEMENT OF CASH FLOWS

For the period from January 1, 2008 to June 30, 2008

(amounts in thousands)

	<i>Jan 1, 2008 to June 30, 2008 (Restated)</i>	<i>Inception (February 2, 2007) to June 30, 2007</i>
Net loss	\$ (1,488)	-
Adjustments to reconcile net income to net cash and cash equivalents provided by operating activities:		
Depreciation and amortisation charges	3,794	-
Changes in operating assets and liabilities:		
(Increase) in debtors	(102)	-
(increase) in deferred tax asset	(751)	-
(Decrease) in current liabilities	<u>(975)</u>	<u>-</u>
Net Cash generated by Operating Activities	478	-
Cash flows from investing activities		
Cash paid for acquisitions less cash acquired	(31,226)	-
Purchase of property and equipment	(72)	-
Release of restricted cash	<u>55,587</u>	<u>-</u>
Net cash generated from investing activities	24,289	-
Cash Flows from Financing Activities		
Cash paid for the repurchase of shares	(12,017)	-
Proceeds from issuance of share capital	-	<u>25</u>
Net Increase in Cash	<u>\$ 12,750</u>	<u>25</u>
Cash and cash equivalents, Beginning of Period	<u>\$ 19,388</u>	<u>Nil</u>
Cash and cash equivalents, End of	<u>\$ 32,138</u>	

Period

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Titanium Asset Management Corp.
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2008 to June 30, 2008

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - Organization, business and operations

Titanium Asset Management Corp. (the "Company") was incorporated in Delaware on February 2, 2007 as a blank check company, the objective of which is to acquire one or more operating companies engaged in the asset management industry.

The Company was successfully listed on the London Alternative Investment Market on 21 June 2007. The listing raised net proceeds of \$110.4 million. The Company completed its third acquisition on March 31, 2008 and as a result has become an operating company. The Company intends to seek a registration statement with the SEC within 120 days of the period end with a view to obtaining a listing on NASDAQ.

NOTE 2 - Basis of Preparation

These report and accounts have been prepared in accordance with accounting principles generally accepted in the United States of America.

The following accounting policies have been applied consistently in dealing with items which are material in relation to the financial information of Titanium Asset Management Corp. set out in this report.

NOTE 3 - Summary of Significant Accounting Policies

Use of Estimates The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of

the revision and future periods if the revision affects both current and future periods.

Income per common share Income per common share is computed by dividing net income by the weighted average number of shares of common stock and restricted stock outstanding during the period. As the earnings per share are nil no separate estimate of the impact of dilution has been prepared.

Goodwill and intangibles Goodwill is the excess of the amount paid to acquire a business over the fair value of the net assets acquired. Pursuant to SFAS No. 142, Goodwill and Other Intangible Assets, the carrying amount of goodwill is reviewed for impairment annually or whenever events or changes in circumstances indicate that the carrying amount might not be recoverable. If the fair value of the operations to which the goodwill relates is less than the carrying amount of the unamortized goodwill, the carrying amount will be reduced with a corresponding charge to expense.

The Company will test goodwill for impairment at least annually (first day of our fourth quarter), or more often if deemed necessary based on certain circumstances. The goodwill impairment test will be a two-step process: Step 1 - test for potential impairment by comparing the fair value of each reporting unit with its carrying amount; if the fair value of the reporting unit is greater than its carrying amount (including recorded goodwill), then no impairment exists and Step 2 is not performed; Step 2 - if the

NOTE 3 - Summary of Significant Accounting Policies (cont)

carrying amount of the reporting unit (including recorded goodwill) is greater than its fair value, then the amount of the impairment, if any, is measured and recorded as needed.

Intangible assets with definite lives are amortized over their estimated useful life and reviewed for impairment in accordance with SFAS 144. Intangible assets with definite lives are amortized using the straight-line method over their estimated useful lives.

Option granted in relation to stock issuance The fair value of the option granted to Sunrise Securities Corp. has been credited to additional paid in capital. The cost of the option has been netted off against reserves along with the other costs of admission.

Income taxes The Company accounts for income taxes in accordance with SFAS No. 109, "Accounting for Income Taxes." Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and other loss

carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

**Interim report and unaudited accounts for the period from
January 1 , 2008 to June 30, 2008**

NOTES TO FINANCIAL STATEMENTS

(amounts in thousands except number of shares)

NOTE 4 - Share Capital

	Authorized		Called up and fully p	
	Number	\$	Number	
Common Stock \$0.0001	54,000,000	5,400	21,117,723	2
Restricted Shares \$0.0001	720,000	72	529,272	
Preferred Stock \$0.0001	1,000,000	100		
		<u>5,572</u>		<u>2</u>

The holders of Common Stock arising from the issue of units on 21 June 2007 were entitled to require the Company to repurchase their shares if at the time the Company seeks approval for a business combination the stockholder votes against the proposal. In April 2008 2,208,452 common shares representing 9.75% of the issued share capital were repurchased for a total consideration of approximately \$12 million. As a result of this repurchase, 333,777 shares of Common Stock and 83,444 shares of Restricted Stock were cancelled. Following the acquisition of NIS on March 31, 2008 shareholders no longer have the right to require the Company to repurchase their shares.

The Restricted Shares carry no rights to dividends except in the case of a winding up of the Company. They convert on a one for one basis to Common Stock if at any time within five years of their issue,

and subsequent to a Business Combination, the ten day average share price of the Common Stock exceeds \$6.90.

No Preferred Stock had been issued at the balance sheet date and accordingly the rights attaching to the Preferred Stock have not been set.

There were 20 million warrants in issue at the balance sheet date. Each warrant entitles the holder to subscribe for Common Stock at \$4.00 per share subsequent to a Qualifying Business Combination. There were 20 million warrants in issue at the balance sheet date.

The Company issued an option over 2 million Units to the placing agent. The option is exercisable at \$6.60 following a Qualifying Business Combination.

Titanium Asset Management Corp.
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NOTES TO FINANCIAL STATEMENTS

(amounts in thousands)

NOTE 5 - Reserves

	Profit & Loss \$000s	Additional Paid in Capital \$000s	Total \$000s
Brought forward at 1 January 2008	443	55,892	56,335
Net loss for the period	(1,488)	-	(1,488)
Reallocation of temporary equity		55,587	55,587
Shares repurchased	-	(12,017)	(12,017)
	(1,045)	99,462	98,417

NOTE 6 - Acquisition

The financial statements include assets acquired from National Investment Services Inc. on March 31, 2008. At March 31, 2008 Titanium Asset Management Corp held 100% of the issued share capital of National Investment Services Inc. The goodwill related to the acquisition will be fully deductible for tax purposes.

Details	Consideration	Fair value	Goodwill
Cash	\$29,684	\$-	\$-
Accrued acquisition costs	1,542	-	-
Debtors	-	3,123	-
Other current assets	-	115	-
Property and equipment	-	(629)	-

Current liabilities	-	23,088	-
Existing customers	1,903	-	-
Guaranteed payments	-	-	-
	<u>\$33,129</u>	<u>\$25,697</u>	<u>\$7,432</u>

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NOTES TO FINANCIAL STATEMENTS

(amounts in thousands)

NOTE 7 - Intangible assets

	Goodwill	Customers	Non- compete	Brands	Total
Cost					
At January 1, 2008	21,987	14,691	1,662	625	38,965
Additions (see note 6)	7,432	23,088			30,520
At June 30, 2008	29,419	37,779	1,662	625	69,485
Amortization					
At January 1, 2008		697	898	43	1,638
Impairment Charge for period		1,792	139	85	1,792
At June 30, 2008		4,267	1,037	128	5,432

Net book amount					
At June 30, 2008	\$29,419	\$33,512	\$625	\$497	\$64,053
Useful life (in months)	N/A	60-180	36	36-48	

NOTE 8 - Contingency

During the six months ended June 30, 2008 the Company received an invoice for \$536,000 from the lawyers who worked on the placement of the Company's shares on London's AIM market in June 2007. The Company is in dispute with the lawyers with respect to this invoice and at the current time believes there is no liability. Accordingly no provision has been made in these accounts for the invoice. In the event that a liability does arise the income statement will be unaffected and the Company does not expect its financial position to materially change.

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