EVANSVILLE LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2012

Registered office

25 Gresham Street
London EC2V 7HN

Registered number

1598402

Directors

R J Eddowes
I Lomas
G Ferguson

Company Secretary

P Gittins

Member of Lloyds Banking Group

EVANSVILLE LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS
For the year ended 31 May 2012

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EVANSVILLE LIMITED

REPORT OF THE DIRECTORS

The directors present their report together with the audited financial statements of the Company for the year ended 31 May 2012

Business review, principal activities and future outlook

Since the assignment of lease agreements to Lloyds TSB Commercial Finance Scotland Limited in 2010 there has been little in the way of financial activity on which to report The directors plan to seek dormancy status and ultimately liquidation, as soon as possible

The loss before tax for the year ended 31 May 2012 amounted to £3 (2011 Profit £124,092) as set out in the statement of comprehensive income on page 6

Principal risks and uncertainties

The principal risks and uncertainties of the Company are closely aligned to those of the Lloyds Banking Group and are not managed separately

Financial risk management

Disclosure of the Company's financial risk management objectives and policies is given in note 15 to the financial statements

Key Performance Indicators (KPI's)

Given the straightforward nature of the business, the directors are of the opinion that analysis using KPI's is not necessary for an understanding of the development, performance or position of the Company's business

Dividends

During the year ended 31 May 2012 no ordinary dividends were paid by the Company (2011 £550,000)

The directors are in the process of considering the options available with regard to reducing distributable reserves ahead of securing dormancy and ultimately liquidation

Directors

The names of the directors who were in office during the year and up to the date of signing these financial statements are shown on page 1

Directors' indemnities

The directors have the benefit of a deed of indemnity which constitutes a "qualifying third party indemnity provision" These deeds are in force during the whole of the financial year The indemnities remain in force at the date of signing these financial statements Deeds for existing directors are available for inspection at the registered office of Lloyds Banking Group plc

EVANSVILLE LIMITED

REPORT OF THE DIRECTORS (continued)

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year Under that law, the directors have prepared the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union Under Company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company, and of the profit or loss of the Company, for that period In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,

- make judgements and accounting estimates that are reasonable and prudent,

- state whether applicable International Financial Reporting Standards IFRSs as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements,

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006 They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

Disclosure of information to independent auditors

In the case of each director in office at the date the directors' report is approved, the following applies

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and

- he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information

Independent auditors

PricewaterhouseCoopers LLP are deemed to be re-appointed as auditors under section 487(2) of the Companies Act 2006

On behalf of the board

T Lomas
Director

Date 26/9/2012

EVANSVILLE LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EVANSVILLE LIMITED

We have audited the financial statements of Evansville Limited for the year ended 31 May 2012, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, the Statement of Cash Flows and the related notes The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union

Respective responsibilities of directors and auditors
As explained more fully in the Statement of Directors' Responsibilities set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing

Scope of the audit of the financial statements
An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements In addition, we read all the financial and non-financial information in the annual report and financial statements to identify material inconsistencies with the audited financial statements If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report

Opinion on financial statements
In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 31 May 2012 and of its loss and cash flows for the year then ended,
- have been properly prepared in accordance with IFRSs as adopted by the European Union, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matters prescribed by the Companies Act 2006
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception
We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

Ben Burston
Ben Burston (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

Date 28/9/2012

EVANSVILLE LIMITED

STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 May 2012

	Note	2012 £	2011 £
Interest and similar income		-	187,406
Interest expense and similar charges		(3)	(295)
Net interest (expense) / income	4	(3)	187,111
Other operating expenses	5	-	(63,019)
(Loss) / profit before tax	6	(3)	124,092
Tax	7	-	(133,014)
Loss for the year attributable to owners of the Company and being total comprehensive income		(3)	(8,922)

All activities are classified as discontinuing

The notes on pages 10 to 18 are an integral part of these financial statements

EVANSVILLE LIMITED

BALANCE SHEET
As at 31 May 2012

	Note	2012 £	2011 £
ASSETS			
Non current assets			
Deferred income tax	10	-	-
		-	-
Current assets			
Other receivables	9	**41,113**	40,205
Group relief receivable		-	911
		41,113	41,116
Total assets		**41,113**	41,116
LIABILITIES			
Current liabilities			
Other payables	11	**50**	50
Total liabilities		**50**	50
EQUITY			
Share capital	12	**50**	50
Retained profits		**41,013**	41,016
Total equity		**41,063**	41,066
Total equity and liabilities		**41,113**	41,116

The notes on pages 10 to 18 are an integral part of these financial statements

The financial statements on pages 6 to 18 were approved by the Board of Directors and were signed on its behalf by

T Lomas
Director

Date 26/9/2012

Company registered number 1598402

EVANSVILLE LIMITED

STATEMENT OF CHANGES IN EQUITY
For the year ended 31 May 2012

	Share capital £	Retained profits £	Total £
At 31 May 2010	**50**	**599,938**	**599,988**
Loss for the year and total comprehensive expense for 2011	-	(8,922)	(8,922)
Dividend paid to ordinary shareholder	-	(550,000)	(550,000)
At 31 May 2011	**50**	**41,016**	**41,066**
Loss for the year and total comprehensive expense for 2012	-	**(3)**	**(3)**
At 31 May 2012	**50**	**41,013**	**41,063**

The notes on pages 10 to 18 are an integral part of these financial statements

EVANSVILLE LIMITED

STATEMENT OF CASH FLOWS
For the year ended 31 May 2012

	2012 £	2011 £
Cash flows from operating activities		
(Loss) / profit on ordinary activities before tax	(3)	124,092
Adjustments for		
Interest expense	3	295
(Increase)/decrease in trade and other receivables	(908)	450,248
Decrease in trade and other payables	-	(4,434)
Group relief received	911	-
Cash generated from operating activities	3	570,201
Interest paid	(3)	(295)
Group relief paid	-	(19,906)
Net cash from operating activities	-	550,000
Cash flows from financing activities		
Dividend paid to ordinary shareholder	-	(550,000)
Net cash reduction from financing activities	-	(550,000)
Net increase in cash and cash equivalents	-	-
Cash and cash equivalents at beginning of year	-	-
Cash and cash equivalents at end of year	-	-

The notes on pages 10 to 18 are an integral part of these financial statements

EVANSVILLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1 General information

The Company is a private limited company incorporated and domiciled in Great Britain

2. Accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below These policies have been consistently applied to both years presented, unless otherwise stated

2 1 Basis of preparation

These financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom Following the assignment out of all remaining lease agreements in 2010, the Company has effectively ceased trading and so the going concern basis is no longer considered appropriate All costs to wind-up the Company will be borne by the parent company and so no provision has been made in these financial statements

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates It also requires management to exercise its judgement in the process of applying the Company's accounting policies The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3

Details of standards and interpretations relevant to the Company but not effective at 31 May 2012 and not applied in preparing these financial statements are set out in note 17

The financial statements have been prepared under the revised disclosure requirements of IAS 1 (revised) "Presentation of financial statements" The application of this revised standard, which affects presentation only, has not had any impact for amounts recognised in these financial statements

2.2 Income recognition

Interest income and expense are recognised in the income statement for all interest-bearing financial instruments, using the effective interest method The effective interest method is a method of calculating the amortised cost of a financial asset or liability and of allocating the interest income or interest expense The effective interest rate is the rate that discounts the estimated future cash payments or receipts over the expected life of the instrument to the net carrying amount of the financial asset or financial liability

Finance lease income is recognised over the lease term using the net investment method so as to reflect a constant periodic rate of return on the Company's net investment in the lease Initial direct costs attributed to negotiating and arranging the lease are included in the initial measurement of the finance lease receivable thus reducing the amount of income recognised over the lease term

When calculating the effective interest rate, the future cash flows are estimated after considering all the contractual terms of the agreement but not future credit losses The calculation includes all amounts paid or received by the Company that are an integral part of the overall return, direct incremental transaction costs related to the acquisition, issue or disposal of a financial instrument and all other premiums or discounts

Once a financial asset or a group of similar financial assets has been written down as a result of an impairment loss, interest income is recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss

EVANSVILLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

2 3 Financial assets and liabilities

Financial assets comprise amounts due from other group entities and financial liabilities comprise preference shares

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into An equity instrument is any contract that evidences any residual interest in the assets of the entity after deducting all of its financial liabilities Financial liabilities are initially recognised at fair value and subsequently held at amortised cost

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument Financial assets and liabilities are derecognised when the rights to receive cash flows, or obligations to pay cash flows, have expired

Preference shares are recognised initially at fair value, net of transaction cost incurred and the balances are subsequently stated at amortised cost

2 4 Impairment of financial assets

At each balance sheet date the Company assesses whether, as a result of one or more events occurring after initial recognition, there is objective evidence that a financial asset or group of financial assets has become impaired Evidence of impairment may include indications that the borrower or group of borrowers are experiencing significant financial difficulty, default or delinquency in interest or principal payments, it becoming probable that the borrower will enter bankruptcy or other financial reorganisation or the debt being restructured to reduce the burden on the borrower

If there is objective evidence that an impairment loss has been incurred, a provision is established which is calculated as the difference between the balance sheet carrying value of the asset and the present value of estimated future cash flows discounted at that asset's original effective interest rate If an asset has a variable interest rate, the discount rate used for measuring the impairment loss is the current effective interest rate The calculation of the present value of the estimated future cash flows of a collateralised asset or group of assets reflects the cash flows that may result from foreclosure less the costs of obtaining and selling the collateral, whether or not foreclosure is probable

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, such as an improvement in the borrower's credit rating, the provision is adjusted and the amount of the reversal is recognised in the statement of comprehensive income

2 5 Tax

Current tax which is payable on taxable profits is recognised as an expense in the period in which the profits arise

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements Deferred tax is determined using tax rates that have been enacted or substantively enacted by the balance sheet date that are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled

Deferred tax assets are recognised where it is probable that future taxable profit will be available against which the temporary differences can be utilised The tax effect of losses available for carry forward are recognised as an asset when it is probable that future taxable profits will be available against which these losses can be utilised

Deferred tax assets and liabilities are offset when they arise in the same tax reporting group and where there is a legal right of offset and the intention to settle on a net basis or to release the asset and settle the liability simultaneously

EVANSVILLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

3 Critical accounting estimates, and judgements in applying accounting policies

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period Although those estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates

4 Net interest (expense) / income

	2012	2011
	£	£
Interest and similar income		
Primary finance lease interest	-	525
Secondary finance lease interest	-	312
Profit on disposal of leased assets	-	10,200
Rebate of rentals less settlement fee	-	(9,945)
Sale proceeds – finance leases	-	186,314
	-	187,406
Interest and similar charges		
Group interest expense (note 14)	-	(292)
Preference share interest (note 8, 14)	(3)	(3)
	(3)	(295)
Net interest (expense) / income	(3)	187,111

5 Other operating expenses

	2012	2011
	£	£
Cost of sales – finance leases (note 14)	-	63,019
	-	63,019

6 (Loss) / profit before tax

The loss before tax for the year ended 31 May 2012 amounted to £3 (2011 Profit £124,092) as set out in the statement of comprehensive income on page 6

Audit fees of £900 (2011 £1,500) are borne by the parent company

There were no employees during the year (2011 nil) Employee's contracts of service are with Lloyds TSB Commercial Finance Limited and their remuneration is included in that company's financial statements The management charge includes the cost of these employees but it is not possible to ascertain separately the element that relates to employees' benefits expenses

No remuneration was paid or is payable by the Company to the directors The directors are employed by other companies in the Lloyds Banking Group and consider their services to this Company as incidental to their other activities within the group

EVANSVILLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

7 Tax

	2012 £	2011 £
a) Analysis of charge for the year		
The charge for tax is made up as follows		
UK corporation tax		
- Current tax	-	(911)
Total current tax	-	(911)
Deferred tax		
Deferred tax charge for the year	-	10,630
Deferred tax assets written off on transfer of assets – finance leases	-	123,295
Total deferred tax (note 10)	-	133,925
	-	133,014

(b) Factors affecting the tax charge for the year

The tax assessed for the year is different than the standard rate of corporation tax in the UK at 25 8% (2011 27 7%)

The differences are explained below

	2012 £	2011 £
(Loss) / profit before tax	(3)	124,092
Tax charge thereon at UK corporation tax rate of 25 8% (2011 27 7%)	(1)	34,333
Effects of		
- Accounting gain on intra Group sale of finance leases	-	(34,180)
- Deferred tax assets written off on transfer of assets	-	123,295
- Effect of reduction in tax rate	-	9,566
- Non-allowable and non-taxable items	1	-
Tax charge on profit on ordinary activities	-	133,014

8 Preference share dividends

	2012 £	2011 £
Non-equity – Preference		
Paid 1 5p (2012 1 5p) per share	3	3

EVANSVILLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

9 Other receivables

	2012 £	2011 £
Amounts falling due within one year		
Amounts due from immediate parent company (note 14)	**41,113**	40,205
	41,113	40,205

Amounts due from the immediate parent company are unsecured, repayable on demand and non-interest bearing

10 Deferred income tax

The movement in the net deferred tax asset is as follows

	2012 £	2011 £
At 1 June	-	133,925
Statement of Comprehensive Income charge (note 7a)	-	(10,630)
Deferred tax assets written off on transfer of assets to parent company	-	(123,295)
At 31 May	-	-

The Finance (No 2) Act 2010 included legislation to reduce the main rate of corporation tax from 28% to 27% with effect from 1 April 2011

In his Budget speech on 23 March 2011 the Chancellor announced a further reduction in the rate of corporation tax to 26% with effect from 1 April 2011 This further reduction was enacted under the Provisional Collection of Taxes Act 1968 on 29 March 2011 Legislation to reduce the main rate of corporation tax from 26% to 25% from 1 April 2012 has been included in the Finance Act 2011 and substantively enacted on 5 July 2011 On 21 March 2012, the Chancellor announced that the main rate of corporation tax will be reduced from 26% to 24% with effect from 1 April 2012 Further reductions to the main rate are proposed to reduce the rate by 1% per annum to 22% by 1 April 2014

The proposed further reductions in the rate of corporation tax by 1% per annum to 22% by 1 April 2014 are expected to be enacted separately each year

11 Other payables

	2012 £	2011 £
Amounts falling due within one year		
Preference shares (note 12)	**50**	50
	50	50

EVANSVILLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

12 Share capital

	2012	2011
Ordinary shares of 25p each	**£**	£
Authorised	**950**	950
Allotted, called up and fully paid	**50**	50
6% non-cumulative preference shares of 25p each		
Authorised, allotted, called up and fully paid (note 11)	**50**	50

The preference shares carry a dividend of 6% per annum, payable half yearly on 20 May and 20 November The dividend rights are non-cumulative On a return of assets, whether in a winding up or otherwise, there is a right to a return of capital paid up on the 6% preference shares in priority over the holders of the ordinary shares, but no further right to participate in profits or assets The preference shares carry the right to receive notice of and to attend and vote in person on a show of hands at every general meeting and the right to one vote per 6% preference share on a poll thereafter

Preference shares are classed as liabilities and included within other payables Preference dividends are recognised as interest expense Ownership is held by Lloyds TSB Commercial Finance Scotland Limited

Ownership of the issued ordinary share capital of the Company is held by Lloyds TSB Commercial Finance Limited On 1st April 2011 the voting rights of the ordinary shares were changed from non-voting to voting with each share carrying 1 vote

13 Ultimate parent company

As described in note 12, Share capital, ownership of all ordinary shares is held by Lloyds TSB Commercial Finance Limited

The 6% preference voting shares are held by Lloyds TSB Commercial Finance Scotland Limited, a wholly owned subsidiary of Lloyds TSB Commercial Finance Limited The immediate parent company of Lloyds TSB Commercial Finance Limited and the Company is therefore Lloyds TSB Bank plc

The Company regarded by the directors as the ultimate parent company is Lloyds Banking Group plc, which is also the parent undertaking of the largest group of undertakings for which group financial statements are drawn up and of which the Company is a member Lloyds TSB Bank plc was at the balance sheet date the parent undertaking of the smallest such group of undertakings

Copies of the financial statements of Lloyds TSB Commercial Finance Scotland Limited are available from 110 St Vincent Street, Glasgow G2 4QR

Copies of the financial statements of Lloyds TSB Commercial Finance Limited are available from No 1 Brookhill Way, Banbury, OX16 3EL

Copies of the ultimate parent company's financial statements are available from the Company Secretary's Department, Lloyds Banking Group plc, 25 Gresham Street, London, EC2V 7HN

NOTES TO THE FINANCIAL STATEMENTS

14 Related party transactions

A number of transactions are entered into with related parties in the normal course of business The outstanding balances at the year end and related expense for the year are as follows

	2012	2011
	£	£
Lloyds TSB Commercial Finance Scotland Limited		
Balance outstanding at 31 May		
Amounts due from immediate parent company (note 9)	**41,113**	40,205
Group relief receivable (note 7)	**-**	911
Transactions for year ended 31 May		
Sales proceeds – finance leases (note 4)	**-**	186,314
Group interest expense	**-**	292
Interest payable	**3**	3
Cost of sales – finance leases (note 5)	**-**	63,019

Preference dividends payable to Lloyds TSB Commercial Finance Scotland Limited are disclosed in note 8

Group interest expense relates to the notional funding cost of lease agreements and is payable to Lloyds TSB Commercial Finance Scotland Limited

Lloyds TSB Commercial Finance Scotland Limited owns all 200 voting Preference shares

Directors and key management personnel

Key management personnel are those persons having authority and responsibility for planning and controlling the activities of the Company Accordingly, key management comprise the directors of the Company and the members of the Lloyds TSB Commercial Finance Limited board which comprises the statutory directors of that company and certain other senior management There were no transactions between the Company and key management personnel during the current or preceding year Also there was no remuneration paid to key management personnel during the current or preceding year

15 Financial Risk Management

The Company has now ceased trading and therefore it is no longer subject to any financial risks

A description of the financial assets and liabilities and associated accounting is provided in note 2 3

15 1 Credit risk

Credit risk associated with amounts due from the immediate parent company is considered minimal

15 2 Liquidity risk

Liquidity risk is the risk that the Company is unable to meet its obligations as they fall due

Since the assignments to Lloyds TSB Commercial Finance Scotland Limited there are no external liabilities, hence there is no liquidity risk

15 3 Interest rate risk

Interest rate risk is the risk of financial loss as the result of movements in interest rates and arises largely because of timing differences between the re-pricing of financial assets and liabilities

Rates of interest payable to Lloyds TSB Commercial Finance Scotland Limited are matched to rates receivable from customers, so that the interest rate risk faced by the Company is limited

15 Financial Risk Management (continued)

15 4 Fair values of financial assets and liabilities

Financial instruments include financial assets and financial liabilities The fair value of a financial instrument is the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale There is no difference between the fair value and carrying value of financial assets and liabilities

Financial assets in this context are amounts due from immediate parent company The accounting policy for such financial instruments is explained in note 2 3

15 5 Market risk

The Company is not subject to market risk as all remaining lease agreements were assigned to Lloyds TSB Commercial Finance Scotland Limited during 2010

16 Capital management

The Company's objectives when managing capital are to safeguard the entity's ability to continue as a going concern, and indirectly, to support the Lloyds Banking Group's regulatory capital requirements

The Company's parent manages the Company's capital structure and advises the board to consider making adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets In order to maintain or adjust the capital structure, the Company's parent may adjust the amount of dividends to be paid to shareholders, return capital to shareholders, issue new shares, or sell assets

The Company's capital comprises all components of equity, movements in which appear in the statement of changes in equity on page 8

17 Future accountıng developments

The followıng pronouncements wıll be relevant to the Company but were not effectıve at 31 May 2012 and have not been applıed ın preparıng these financıal statements

Pronouncement	Nature of change	Effectıve date
IFRS 9 Fınancıal Instruments Classıficatıon and Measurement *1 & 2*	Replaces those parts of IAS 39 Fınancıal Instruments Recognıtıon and Measurement relatıng to the classıficatıon, measurement and derecognıtıon of financıal assets and lıabılıtıes Requıres financıal assets to be classıfied ınto two measurement categorıes, faır value and amortısed cost, on the basıs of the objectıves of the entıty's busıness model for managıng ıts financıal assets and the contractual cash flow characterıstıcs of the ınstrument The avaılable-for-sale financıal asset and held-to-maturıty categorıes ın exıstıng IAS 39 wıll be elımınated The requırements for financıal lıabılıtıes and derecognıtıon are broadly unchanged from IAS 39	Annual perıods begınnıng on or after 1 January 2015

1 At the date of thıs report, thıs pronouncement ıs awaıtıng EU endorsement

2 IFRS 9 ıs the ınıtıal stage of the project to replace IAS 39 Future stages are expected to result ın amendments to IFRS 9 to deal wıth changes to the ımpaırment of financıal assets measured at amortısed cost and hedge accountıng

The full ımpact of thıs pronouncement ıs beıng assessed by the Company However, the ınıtıal vıew ıs that thıs pronouncement ıs not expected to cause any materıal adjustments to the reported numbers ın the financıal statements

18 Post balance sheet events

The company ıs ın the process of redeemıng the preference share capıtal wıth the aım of securıng dormancy status (and ultımately lıquıdatıon) as soon as possıble

19. Dıvıdends per share

Durıng the year ended 31 May 2012 no dıvıdends were paıd by the Company (2011 £550,000 at £2,750 per share)