

Registered number  
2089582

Shore Capital Group plc  
Annual Report and Financial statements for the year ended  
31 December 2012



**Shore Capital Group plc**  
**Report and accounts**  
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**Shore Capital Group plc**  
**Company Information**

**Directors**

H P Shore  
M L van Messel  
D Kaye

**Secretary**

D Kaye

**Registered office**

Bond Street House  
14 Clifford Street  
London W1S 4JU

**Registered number**

2089582

**Bankers**

The Royal Bank of Scotland plc  
Western Branch  
60 Conduit Street  
London W1R 9FD

**Auditor**

Deloitte LLP  
London, UK

**Solicitors**

SJ Berwin LLP  
10 Queen Street Place  
London EC4R 1BE

## **Shore Capital Group plc**

### **Directors' Report**

The Directors present their annual report and financial statements for the year ended 31 December 2012

#### **Principal activities and review of the business**

The company is a member of the Shore Capital group of companies. The company is an intermediate holding company, and does not constitute a separate operational division of the group and the group does not apply specific key performance indicators to the company.

The Directors are satisfied with the company's achievements in 2012, which have left it well positioned for the current year. The Directors do not expect any changes in the activities of the company in the foreseeable future.

#### **Financial Risk**

A financial risk management policy is established at group level by Shore Capital Group Limited, the ultimate parent company. Full details are set out in the consolidated group accounts of Shore Capital Group Limited.

#### **Dividends and results**

The retained loss for the year is set out on page 6. No interim dividends were paid (2011 £35,000,000) on the ordinary shares. No final dividend is proposed on the ordinary shares (2011 £Nil).

#### **Going Concern**

The company's business activities, together with the factors likely to affect its future development, performance and position are set out in the principal activities and review of the business paragraph above.

The company has considerable financial resources together with an established business model. As a consequence, the directors believe that the company is well placed to manage its business risks successfully despite the current uncertain economic outlook.

Despite the Company making a loss for the year ended 31 December 2012, after making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. One off expenses incurred in 2012 are not expected to recur. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

#### **Charitable donations**

Charitable donations of £78,000 were made by the Company during the year (2011 £154,000).

#### **Directors' Indemnities**

The group makes qualifying third-party provisions for the benefit of its directors. These were made during the year and remain in force at the date of this report.

#### **Supplier payment policy**

The Company's policy is to settle terms of payment with suppliers when agreeing the terms of each transaction, ensure that suppliers are made aware of the terms of payment and abide by the terms of payment. Trade creditors of the company at 31 December 2012 were equivalent to 8 (2011 15) days' purchases, based on the average daily amount invoiced by suppliers during the year.

**Shore Capital Group plc**  
**Directors' Report (continued)**

**Directors**

The following persons served as directors throughout the year

H P Shore  
M L van Messel  
D Kaye

**Disclosure of information to auditor**

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

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

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

A resolution to re-appoint Deloitte LLP as auditor of the Company will be proposed at the Company's Annual General Meeting

This report was approved by the board on 27 June 2013



**D Kaye**  
Secretary  
Bond Street House  
14 Clifford Street  
London W1S 4JU

## **Shore Capital Group plc**

### **Statement of Directors' Responsibilities**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing 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 UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They 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.

**Shore Capital Group plc**  
**Independent auditor's report**  
**to the shareholders of Shore Capital Group plc**

We have audited the financial statements of Shore Capital Group plc for the year ended 31 December 2012 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 17. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

**Respective responsibilities of directors and auditor**

As explained more fully in the Directors' Responsibilities Statement set out on page 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.

**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 to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2012 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

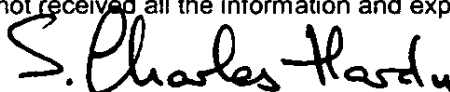
**Opinion on other matter prescribed by the Companies Act 2006**

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

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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



**Simon Hardy FCA (Senior statutory auditor)**  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditor  
London, UK  
27 June 2013

**Shore Capital Group plc**  
**Profit and Loss Account**  
**for the year ended 31 December 2012**

	<b>Notes</b>	<b>2012 £000</b>	<b>2011 £000</b>
<b>Turnover</b>		680	1,681
Administrative expenses		(6,948)	(1,941)
<b>Operating loss</b>	2	<u>(6,268)</u>	<u>(260)</u>
Interest receivable	4	27	5
Interest payable		(11)	(27)
<b>Loss on ordinary activities before taxation</b>		<u>(6,252)</u>	<u>(282)</u>
Tax on loss on ordinary activities	5	361	(265)
<b>Loss for the financial year</b>	13	<u><u>(5,891)</u></u>	<u><u>(547)</u></u>

**Continuing operations**

All transactions are in respect of continuing operations

**Statement of total recognised gains and losses**

The company has no recognised gains or losses other than those recognised in the profit and loss account



**Shore Capital Group plc**  
**Balance Sheet**  
**as at 31 December 2012**

	Notes	2012 £000	2011 £000
<b>Fixed assets</b>			
Tangible assets	6	517	575
Investments in subsidiaries	7	<u>36,291</u>	<u>36,345</u>
		36,808	36,920
<b>Current assets</b>			
Debtors	8	4,761	8,169
Cash at bank and in hand		<u>55</u>	<u>15,180</u>
		4,816	23,349
<b>Creditors: amounts falling due within one year</b>	9	<u>(40,530)</u>	<u>(38,292)</u>
<b>Net current liabilities</b>		(35,714)	(14,943)
<b>Total assets less current liabilities</b>		<u>1,094</u>	<u>21,977</u>
<b>Creditors: amounts falling due after more than one year</b>	10	<u>(44)</u>	<u>(15,036)</u>
<b>Net assets</b>		<u>1,050</u>	<u>6,941</u>
<b>Capital and reserves</b>			
Called up share capital	11	50	50
Revaluation reserve	12	5,596	5,596
Profit and loss account	13	<u>(4,596)</u>	<u>1,295</u>
<b>Shareholders' funds</b>	14	<u>1,050</u>	<u>6,941</u>

These financial statements were approved and authorised for issue by the Board of Directors on 27 June 2013

Signed on behalf of the Board of Directors



M L van Messel  
Director

**Shore Capital Group plc**  
**Notes to the Accounts**  
**for the year ended 31 December 2012**

**1 Accounting policies**

**Accounting convention**

The financial statements have been prepared in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The particular accounting policies adopted are as follows

**Going concern**

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the directors' report on pages 2-3. Liquidity positions within the entity are actively managed on a daily basis to ensure sufficient liquidity is maintained at all times to support the business. Taking these factors into consideration, the directors believe that the entity is well placed to manage its business risks successfully. Therefore, the Company continues to adopt the going concern basis in preparing the annual report and financial statements.

**Turnover**

Turnover comprises management recharges to group companies.

**Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less depreciation. Depreciation is calculated so as to write off the cost of tangible fixed assets by equal annual instalments over their estimated useful lives at the following annual rates:

Fixtures and equipment	four years
Motor vehicles	six years

**Pension costs**

The charge against profits is the amount of contributions payable in respect of personal defined contribution pension arrangements for Directors and employees in the year.

**Taxation**

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

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. These differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements and deferred taxation is provided thereon at the anticipated tax rates.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. This has been disclosed in current assets. Furthermore, the charge in deferred tax asset arising as a consequence of the movement in the parent's share price during the period has been charged to the profit and loss account in accordance with FRS 19. The prior year comparatives have been restated to comply with this presentation.

**Shore Capital Group plc**  
**Notes to the Accounts**  
**for the year ended 31 December 2012**

**1 Accounting policies (continued)**

**Foreign exchange**

Transactions denominated in foreign currencies are translated into sterling at the rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the rates ruling at that date. The translation differences are dealt with in the profit and loss account.

**Share-based payments**

The company has applied the requirements of FRS 20 Share-based Payments. In accordance with the transitional provisions, FRS 20 has not been applied to grants of equity instruments to employees prior to 7 November 2002 as they had all vested by 1 January 2005.

**Fixed asset investments**

Fixed asset investments are valued at cost less provision for impairment using the most recent representative arm's length price.

<b>2 Operating loss</b>	<b>2012</b>	<b>2011</b>
	<b>£000</b>	<b>£000</b>
This is stated after charging		
Directors' emoluments	1,209	916
Depreciation charge	52	52
Fees payable to the company's auditors		
Audit of the company's financial statements	50	50
Tax Services	19	13
	<hr/>	<hr/>

The 2012 operating profit includes a one off charge of £3,622k regarding an intercompany write off.

The 2011 operating profit includes a one off credit of £826k regarding an intercompany adjustment.

**Shore Capital Group plc**  
**Notes to the Accounts**  
**for the year ended 31 December 2012**

<b>3 Staff costs</b>	<b>2012</b>	<b>2011</b>
	<b>£000</b>	<b>£000</b>
Wages and salaries	1,090	1,078
Social security costs	148	148
Other pension costs	20	13
	<u>1,258</u>	<u>1,239</u>

Four of the directors were employed and remunerated as directors of Shore Capital Group plc in respect of their services to the group as a whole. Accordingly their remuneration is in respect of their services to the group and is shown in the financial statements of Shore Capital Group plc. The total cost for remunerating the other directors is shown in note 2.

<b>Average number of employees during the year</b>	<b>Number</b>	<b>Number</b>
Staff numbers (including executive directors)	<u>5</u>	<u>5</u>

The parent company, Shore Capital Group Limited ("the Group"), maintains a Share Option Plan under which present and future employees of the company may be granted options to subscribe for shares of the Group. The plan is used to attract and retain high-calibre employees to continue to develop and expand the business of the Group and the company. Such options are granted by the Group at a price no less than the average quoted market price of the Group's share on the date of grant. The vesting period is generally three years. 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 chooses to leave the Group before the options vest. Details of the share options outstanding to employees of the company during the year are as follows:

	<b>2012</b>	<b>Weighted average exercise price</b>
	<b>Number of share options</b>	
Outstanding at beginning and end of year	<u>7,461,296</u>	20.5p
Exercisable at the end of the year	<u>7,461,296</u>	

The options outstanding at 31 December 2012 had a weighted average remaining contractual life of three years.

In 2012, the company recognised no expenses related to equity-settled share-based payment transactions.

**Shore Capital Group plc**  
**Notes to the Accounts**  
**for the year ended 31 December 2012**

**3 Staff costs (continued)**

In the previous year, the options granted were in relation to shares in the company itself, as follows

	<b>2011</b>	<b>Weighted</b>
	<b>Number of</b>	<b>average</b>
Outstanding at beginning of year	8,288,569	20 5p
Exercised during the year	<u>(827,273)</u>	20 0p
Outstanding at the end of the year	<u>7,461,296</u>	20 5p
Exercisable at the end of the year	<u>7,461,296</u>	

The options outstanding at 31 December 2011 had a weighted average remaining contractual life of four years

In 2011, the company recognised no expenses related to equity-settled share-based payment transactions

No options were granted in 2012

<b>Directors' emoluments</b>	<b>2012</b>	<b>2011</b>
	<b>£000</b>	<b>£000</b>
Highest paid Director Emoluments	<u>631</u>	<u>628</u>

<b>4 Interest receivable</b>	<b>2012</b>	<b>2011</b>
	<b>£000</b>	<b>£000</b>
Bank interest	<u>27</u>	<u>5</u>

**Shore Capital Group plc**  
**Notes to the Accounts**  
**for the year ended 31 December 2012**

<b>5 Taxation</b>	<b>2012 £000</b>	<b>2011 £000</b>
<b>Analysis of (credit)/charge in period</b>		
Current tax		
UK corporation tax (credit)/charge	(361)	151
Adjustments in respect of previous periods	-	(170)
Total current tax	(361)	(19)
Deferred tax charge	-	284
	<u>(361)</u>	<u>265</u>

**Factors affecting tax charge for period**

The differences between the UK Corporation Tax charge and the amount calculated by applying the standard rate of UK Corporation Tax to the profit before tax are explained as follows

	<b>2012 £000</b>	<b>2011 £000</b>
Loss on ordinary activities before tax	<u>(6,252)</u>	<u>(282)</u>
Standard rate of corporation tax in the UK	<u>24 5%</u>	<u>26 5%</u>
	<b>£000</b>	<b>£000</b>
Loss on ordinary activities multiplied by the standard rate of corporation tax	(1,532)	(75)
<b>Effects of</b>		
Short term timing differences	3	(7)
Income not chargeable to tax	-	-
Permanent tax differences	1,167	235
Adjustments in respect of previous periods	-	(170)
Other	1	(2)
Current tax credit for period	<u>(361)</u>	<u>(19)</u>

**Factors that may affect future tax charges**

The deferred tax asset relates to staff based payments to staff that have been expensed in the accounts but only become payable, and hence deductible for tax, in a future accounting period

**Deferred tax**

	<b>2012 £000</b>	<b>2011 £000</b>
At 1 January	188	472
Charge to income	-	(284)
Transferred from current tax	-	-
At 31 December	<u>188</u>	<u>188</u>

**Shore Capital Group plc**  
**Notes to the Accounts**  
**for the year ended 31 December 2012**

**6 Tangible fixed assets**

	<b>Fixtures and equipment £000</b>	<b>Motor vehicles £000</b>	<b>Total £000</b>
<b>Cost</b>			
At 1 January 2012	689	142	831
Additions	1	-	1
Disposals	(7)	-	(7)
At 31 December 2012	<u>683</u>	<u>142</u>	<u>825</u>
<b>Depreciation</b>			
At 1 January 2012	179	77	256
Charge for the year	28	24	52
On disposals	-	-	-
At 31 December 2012	<u>207</u>	<u>101</u>	<u>308</u>
<b>Net book value</b>			
At 31 December 2012	<u>476</u>	<u>41</u>	<u>517</u>
At 31 December 2011	<u>510</u>	<u>65</u>	<u>575</u>

**7 Investments**

	<b>2012 £000</b>	<b>2011 £000</b>
<b>Cost</b>		
At 1 January	38,653	37,899
Additions	1,030	754
Disposals	-	-
At 31 December	<u>39,683</u>	<u>38,653</u>
<b>Impairments</b>		
At 1 January	(2,308)	(1,839)
Revaluations in year	(1,084)	(469)
At 31 December	<u>(3,392)</u>	<u>(2,308)</u>
<b>Net book value</b>		
At 31 December	<u>36,291</u>	<u>36,345</u>

**Shore Capital Group plc**  
**Notes to the Accounts**  
**for the year ended 31 December 2012**

**7 Investments (continued)**

**Additional information on principal subsidiaries**

<b>Subsidiary</b>	<b>Country of registration and operation</b>	<b>Activity</b>	<b>Portion of ordinary shares and voting rights held</b>
<b>Trading companies</b>			
Shore Capital Investments Limited	England and Wales	Holds investments	100%
Shore Capital Treasury Limited	England and Wales	Treasury company	100%
Shore Capital International Limited	England and Wales	Advisory services	100%
Shore Capital Management Limited	England and Wales	Member of an LLP	100%
Shore Capital (Japan) Limited	England and Wales	Credit provider	100%
Pebble Investments Limited	Guernsey	Holds investments	100%
Puma Property Advisers Limited	Guernsey	Property advisory services	100%
JellyWorks Limited	England and Wales	Dormant	100%
<b>Limited Liability Partnerships</b>			
The Lily Partnership LLP	England and Wales	Asset rental business	80%
<b>Nominee Company</b>			
Puma Nominees Limited	England and Wales	Nominee company	100%

<b>8 Debtors</b>	<b>2012 £000</b>	<b>2011 £000</b>
Trade debtors	-	2
Corporation tax	361	5
Deferred tax	188	188
Amounts owed by group undertakings and undertakings in which the company has a participating interest	4,087	7,814
Prepayments and accrued income	125	160
	<u>4,761</u>	<u>8,169</u>

<b>9 Creditors: amounts falling due within one year</b>	<b>2012 £000</b>	<b>2011 £000</b>
Other payables	585	282
Trade creditors	19	13
Amounts owed to group undertakings and undertakings in which the company has a participating interest	3,936	2,087
Other taxes and social security costs	(4)	3
Loan from subsidiary	35,784	35,784
Accruals and deferred income	210	123
	<u>40,530</u>	<u>38,292</u>



**Shore Capital Group plc**  
**Notes to the Accounts**  
**for the year ended 31 December 2012**

<b>10 Creditors: amounts falling due after one year</b>	<b>2012 £000</b>	<b>2011 £000</b>
Bank loans	-	15,000
Other creditors	44	36
	<u>44</u>	<u>15,036</u>

During the year the Company repaid its bank loan facility. The loan was secured by a charge over part of the Group's bull positions and holdings and cash. The loan carried an interest rate at 2.0% above LIBOR for the relevant period in the relevant currency.

<b>11 Share capital</b>	<b>2012</b>		<b>2011</b>	
Authorised Ordinary shares of 2p each		625,000,000		625,000,000
	<b>2012 Number of shares</b>	<b>2011 Number of shares</b>	<b>2012 £000</b>	<b>2011 £000</b>
Balance b/f	2,500,000	2,500,000	50	50
Shares issued in the year	-	-	-	-
Shares redeemed in the year	-	-	-	-
Corporate reorganisation	-	-	-	-
Capital reduction	-	-	-	-
	<u>2,500,000</u>	<u>2,500,000</u>	<u>50</u>	<u>50</u>

**Group reorganisation**

On 26 March 2010, Shore Capital Group Limited acquired the entire share capital of Shore Capital Group plc by way of a scheme of arrangement. Following the scheme, the Company has become a wholly-owned subsidiary of Shore Capital Group Limited. As part of the scheme 28,369,252 own shares held in treasury were cancelled.

**Capital reduction**

On 15 December 2010, the Company carried out a court approved capital reduction. As a result, the capital of the company was reduced to £50,000 divided into 2,500,000 ordinary shares of 2p each by cancelling 242,748,371 ordinary shares. The capital reduction also resulted in the cancellation of the company's capital redemption reserve, own shares reserve and the utilisation of the share premium account.

**Shore Capital Group plc**  
**Notes to the Accounts**  
**for the year ended 31 December 2012**

<b>12 Revaluation reserve</b>	<b>2012 £000</b>	<b>2011 £000</b>
At 1 January	5,596	5,596
At 31 December	<u>5,596</u>	<u>5,596</u>

<b>13 Profit and loss account</b>	<b>2012 £000</b>	<b>2011 £000</b>
At 1 January	1,295	36,842
Loss for the financial year	(5,891)	(547)
Dividends paid	-	(35,000)
At 31 December	<u>(4,596)</u>	<u>1,295</u>

<b>14 Reconciliation of movement in shareholders' funds</b>	<b>2012 £000</b>	<b>2011 £000</b>
At 1 January	6,941	42,488
Loss for the financial year	(5,891)	(547)
Dividends	-	(35,000)
At 31 December	<u>1,050</u>	<u>6,941</u>

**15 Related Party Transactions**

The Directors and all other staff are entitled to deal in securities through a fellow Group company in accordance with in house dealing rules, which include the provision that staff are entitled to reduced commission rates. The Directors are of the opinion that all such transactions are not material to either the Company or the relevant individuals.

The Company has not disclosed normal trading transactions with other group companies due to an exemption afforded to it by FRS 8 by virtue of 100% of the voting rights of the company being controlled within the group.

Central group overheads of the ultimate parent company are recharged throughout the group, including to this company, by way of a management charge. Amounts charged during the year were as follows:

	<b>2012 £000</b>	<b>2011 £000</b>
Recharged from Shore Capital Group plc to other group entities	<u>680</u>	<u>1,681</u>

**Shore Capital Group plc**  
**Notes to the Accounts**  
**for the year ended 31 December 2012**

**16 Parent Company**

The ultimate parent company is Shore Capital Group Limited, a company incorporated in Guernsey. Shore Capital Group Limited is the parent of the only group for which 2012 consolidated accounts are prepared. Group accounts are available on application from Shore Capital Group, Bond Street House, 14 Clifford Street, London W1S 4JU.

**17 Cash Flow Statement**

The Company has taken advantage of an exemption afforded by FRS 1 (Revised) not to prepare a cash flow statement as its parent company (which is incorporated in Guernsey) prepares consolidated financial statements showing the cash flows of the group.