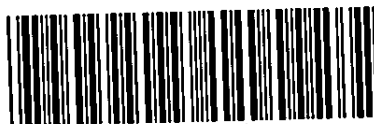


FARLAKE GROUP LIMITED

**FARLAKE GROUP LIMITED
DIRECTORS REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2008**

TUESDAY



LBIOQ6VT

LD4

27/01/2009

176

COMPANIES HOUSE

Registered Number: 02356184

FARLAKE GROUP LIMITED

DIRECTORS' REPORT

The directors present the annual report and the audited financial statements of the Company for the year ended 31 March 2008.

PRINCIPAL ACTIVITY

The principal activity is that of an intermediate holding company and the Company did not trade during the year.

RESULTS AND DIVIDENDS

The results for the year are shown in the profit and loss account on page 5. The profit for the year after taxation was £nil (2007: £nil). No dividends have been paid or proposed in relation to the period ended 31 March 2008 (2007: £nil).

SHARE CAPITAL

The Company has only one class of share capital currently in issue, being Ordinary Shares of £1 each.

DIRECTORS

The Directors of the Company who served throughout the year ended 31 March 2008 are listed below:

J P Wake

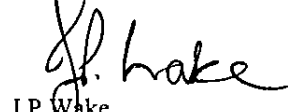
P D W Ingram (resigned 20 January 2009)

A J Morton (appointed 20 January 2009)

AUDITORS

The Company is entitled to exemption from audit under section 249AA(1) of the Companies Act 1985. Members have not required the company to obtain an audit in accordance with section 249B(2) of the Companies Act 1985.

Approved by the Board of Directors and signed by order of the Board



J P Wake
Director

26th January 2009

STATEMENT OF DIRECTORS' RESPONSIBILITIES

United Kingdom company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 proper accounting records which 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 Acts 1985 and 2006. They are also responsible for the system of internal control, for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

FARLAKE GROUP LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2008**

		2008	2007
	Notes	£	£
Write down of inter company loan		(7,500,000)	-
Loss on ordinary activities before taxation		(7,500,000)	-
Tax charge on loss on ordinary activities	2	-	-
Loss on ordinary activities after taxation		(7,500,000)	-
Dividend receivable	3	6,100,000	-
Retained loss for the financial year		(1,400,000)	-

There were no recognised gains or losses in the period other than those shown in the profit and loss account above, and therefore no separate statement of total recognised gains and losses has been prepared.

FARLAKE GROUP LIMITED**BALANCE SHEET AS AT 31 MARCH 2008**

	Notes	2008 £	2007 £
CURRENT ASSETS			
Debtors	4	-	1,400,000
NET ASSETS		<u>-</u>	<u>1,400,000</u>
CAPITAL AND RESERVES			
Called up share capital	5	3,557,547	3,557,547
Share premium account	6	5,992,927	5,992,927
Capital redemption reserve	6	215,050	215,050
Profit and loss account	6	(9,765,524)	(8,365,524)
EQUITY SHAREHOLDERS' FUNDS		<u>-</u>	<u>1,400,000</u>

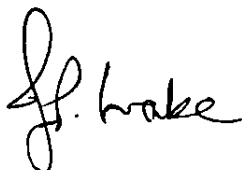
For the year ended 31 March 2008 the Company was entitled to exemption under section 249AA(1) of the Companies Act 1985. No members have required the Company to obtain an audit of its accounts for the period in question in accordance with section 249B(2) of the Companies Act 1985.

The Directors acknowledge their responsibility for:

(i) ensuring the Company keeps accounting records which comply with section 221; and

(ii) preparing accounts which give a true and fair view of the state of affairs of the Company as at the end of the financial period, and of its profit and loss for the period in accordance with section 226, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the Company.

Approved and authorised for issue by the Board of Directors on ²26 January 2009 and signed on their behalf by,



J P Wake
Director

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2008

1 ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared under the historical cost convention, and in accordance with applicable United Kingdom law and accounting standards.

The Company is exempt by virtue of section 228 Companies Act 1985, from the requirement to prepare and deliver group accounts. These financial statements present information about the Company as an individual undertaking and not about its group.

Deferred taxation

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing 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 financial statements. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no binding contract to dispose of these assets. Deferred tax is not provided on unremitted earnings where there is no binding commitment to remit these earnings. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Cash flow statement

The Company has taken advantage of the exemption permitted by the FRS1 (revised) 'Cash Flow Statements' and has elected not to prepare a cash flow statement.

2 TAXATION

	2008	2007
	£	£
The tax charge on the loss on ordinary activities for the year was as follows:		
UK corporation tax at 30% (2007: 30%)	-	-
Prior year adjustment	-	-
	<u>-</u>	<u>-</u>

The tax assessed in the year varies from the standard rate of UK Corporation Tax of 30% (2007:30%). The differences are explained below:

	2008	2007
	£	£
Loss on ordinary activities before tax	1,400,000	-
Tax credit at 30%	420,000	-
Write down of inter company loans	(2,250,000)	-
Inter group dividend not chargeable to taxation	1,830,000	-
Current tax charge for the year	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2008

3 DIVIDENDS RECEIVABLE

	2008	2007
	£	£
Dividend receivable from group undertaking	6,100,000	-

4 DEBTORS

	2008	2007
	£	£
Amounts owed by Group companies	-	1,400,000

5 CALLED UP SHARE CAPITAL

	2008	2007
	£	£
Authorised:		
5,000,000 ordinary shares of £1 each	5,000,000	5,000,000
Allotted, issued and fully paid:		
3,557,547 ordinary shares of £1 each	3,557,547	3,557,547

6 MOVEMENTS ON RESERVES

	Share capital	Share premium	Capital redemption reserve	Profit & loss	Total
	£	£	£	£	£
At 31 March 2006	3,557,547	5,992,927	215,050	(8,365,524)	1,400,000
Retained profit for period	-	-	-	-	-
At 31 March 2007	3,557,547	5,992,927	215,050	(8,365,524)	1,400,000
Dividend Received	-	-	-	6,100,000	6,100,000
Loss for the year	-	-	-	(7,500,000)	(7,500,000)
At 31 March 2008	3,557,547	5,992,927	215,050	(9,765,524)	-

7 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2008	2007
	£	£
Loss on ordinary activities after taxation	(7,500,000)	-
Dividend receivable	6,100,000	-
Net reduction in shareholders' funds	(1,400,000)	-
Shareholders' funds at 1 April 2007	1,400,000	1,400,000
Shareholders' funds at 31 March 2008	-	1,400,000

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2008

8 RELATED PARTY TRANSACTIONS

The Company has taken advantage of exemptions granted by FRS8 not to disclose transactions with other group companies. There were no other related party transactions requiring disclosure.

9 ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The Company is a wholly owned subsidiary of Investment Management Holdings Limited a company registered in England and Wales. At the date of signing the financial statements the ultimate parent company is Syndicate Asset Management Plc, a company registered in England and Wales. Copies of the group financial statements of Syndicate Asset Management Plc are available from Companies House, Crown Way, Cardiff CF14 3UZ.