

GARTMORE IRISH SMALLER COMPANIES INVESTMENT LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2008

REGISTRATION NUMBER: 3024358



GARTMORE IRISH SMALLER COMPANIES INVESTMENT LIMITED

DIRECTORS' REPORT

The Directors submit their Report and Financial Statements for the year ended 31 March 2008

RESULTS AND DIVIDENDS

The Profit and Loss Account on page 4 gives details of the results for the year. An interim dividend totalling £150,000 was paid during the year.

In accordance with Sections 252, 366A and 386 of the Companies Act 1985, elective resolutions to dispense with the obligations to lay Accounts before members in general meetings and to hold Annual General Meetings were passed on 1 August 1996.

Accordingly the circulation of these Accounts to shareholders will be deemed to comply with the Company's obligation under Section 235 of the Companies Act 1985 to send copies of the Annual Accounts to members of the Company.

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The principal activity of the Company is to carry on business as an investment dealing company and it is expected that the Company will continue this activity in the year to 31 March 2009.

The Company made a profit after tax of £69,205 for the year ended 31 March 2008. The net assets of the Company at 31 March 2008 were £556,732 compared with £637,527 at 31 March 2007.

The Company has little exposure to credit and cashflow risk.

The principal risks which the Company faces are:

- market price risk, ie movement in the value of the investment caused by factors other than interest rate or currency movement,
- foreign currency risk.

These risks are monitored by the Board and the Investment Manager as required.

DIRECTORS AND THEIR INTERESTS

The Directors who held office at the end of the year were as follows:

H P Sheridan
R A M Baillie
G R Caldwell
W R Cotter
S P Fitzpatrick
R A Milliken

There are no Directors' interests to be disclosed under the Companies Act 1985. In accordance with Article 23 of the Articles of Association none of the Directors in office at the year end are required to retire. The interests of the Directors in the Share Capital of the parent Company are shown in the financial statements of that Company.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's Auditor is unaware, and each Director has taken all the steps that ought to have been taken as a Director to make himself aware of any relevant audit information and to establish that the Company's Auditor is aware of that information.

AUDITORS

In accordance with Section 386 of the Companies Act 1985 a resolution to dispense with the obligation to appoint Auditors annually was passed on 1 August 1996. Accordingly, Ernst & Young LLP shall be deemed to have been reappointed as Auditors from 1 April 2008.

BY ORDER OF THE BOARD

FOR AND ON BEHALF OF

CAPITA SINCLAIR HENDERSON LTD
CAPITA SINCLAIR HENDERSON LIMITED SECRETARY
Secretary

23 June 2008

GARTMORE IRISH SMALLER COMPANIES INVESTMENT LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

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). The Financial Statements are required by law to 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 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,
- 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 that disclose with reasonable accuracy, at any time the financial position of the Company and which enable them to ensure that the Financial Statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GARTMORE IRISH SMALLER COMPANIES INVESTMENT LIMITED

We have audited the Company's Financial Statements for the year ended 31 March 2008 which comprise the Profit and Loss Account, Statement of Total Recognised Gains and Losses, Balance Sheet and the related notes 1 to 12. 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 Section 235 of the Companies Act 1985. 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

The Directors' responsibilities for preparing the Annual Report and the Financial Statements in accordance with applicable United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

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 and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' report is consistent with the Financial Statements.

In addition we report to you if, in our opinion, the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Directors' remuneration and other transactions is not disclosed.

We read the Directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

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 judgments made by the Directors in the preparation of the Financial Statements, and of whether the accounting policies are appropriate to the Company'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 United Kingdom Generally Accepted Accounting Practice, of the state of the Company's affairs as at 31 March 2008 and of its profit for the year then ended,
- ☐ the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- ☐ the information given in the Directors' Report is consistent with the Financial Statements.

Ernst & Young LLP
Ernst & Young LLP
Registered Auditor
London

23 June 2008

GARTMORE IRISH SMALLER COMPANIES INVESTMENT LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR TO 31 MARCH 2008

	Note	2008 £	2007 £
TURNOVER	2	750,486	1,814,492
COST OF SALES		(673,966)	(1,685,973)
EXCHANGE GAINS		1,506	(4,089)
GROSS PROFIT		<u>78,026</u>	<u>124,430</u>
OTHER INCOME			
Unfranked Investment Income		-	16,223
Deposit Interest Receivable		4,586	352
Realised exchange losses		-	(67)
Unrealised exchange gains/(losses) on bank balances		16,253	(96)
		<u>20,839</u>	<u>16,412</u>
TOTAL INCOME		<u>98,865</u>	<u>140,842</u>
MANAGEMENT EXPENSES			
Audit Fee	4	-	-
Bank debit interest		-	118
		<u>-</u>	<u>118</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		98,865	140,724
TAXATION	5	(29,660)	(25,730)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		<u>69,205</u>	<u>114,994</u>

All of the above results relate to continuing operations

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

There are no recognised gains or losses other than the profit of the Company of £69,205 in the year ended 31 March 2008 (2007 profit £114,994). There is no difference between the profit on ordinary activities before and after taxation for the year stated above and their historical equivalent.

GARTMORE IRISH SMALLER COMPANIES INVESTMENT LIMITED

BALANCE SHEET AT 31 MARCH 2008

	Note	2008 £	2007 £
CURRENT ASSETS			
Investments	6	-	-
Debtors amounts falling due within one year			
Loan to parent company		556,696	637,415
Cash at bank		36	112
		<u>556,732</u>	<u>637,527</u>
CURRENT LIABILITIES			
Creditors amounts falling due within one year			
Purchases for future settlement		-	-
Corporation tax		-	-
		<u>-</u>	<u>-</u>
NET CURRENT ASSETS		556,732	637,527
Deferred tax	5	-	-
		<u>556,732</u>	<u>637,527</u>
SHARE CAPITAL AND RESERVES			
Share capital	7	1	1
Profit and loss account		556,731	637,526
EQUITY SHAREHOLDERS FUNDS	8	<u>556,732</u>	<u>637,527</u>

These Financial Statements were approved by the Board and authorised for issue on the 23 June 2008 and were signed on its behalf by



H P Sheridan

GARTMORE IRISH SMALLER COMPANIES INVESTMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2008

1 ACCOUNTING POLICIES

The Financial Statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. The going concern principle has been applied on the assumption that Gartmore Irish Growth Fund PLC will continue to provide financial support to the Company.

The Company is a wholly owned subsidiary of a United Kingdom company and, therefore, it is exempt from the requirement under Financial Reporting Standard 1 to produce a Cashflow Statement.

A summary of the principal accounting policies, which have been applied consistently, is set out below.

a) Current Asset Investments

Investments are included in the Balance Sheet at the lower of cost and net realisable value, any write-down being debited to the Profit and Loss Account. Profits and losses arising on the disposal of investments are taken to the Profit and Loss Account in the year in which the sales are made.

b) UK Dividend Income

UK dividend income comprises dividends received and receivable excluding the related tax credits. Dividends are credited to the Profit and Loss Account by reference to ex-dividend dates.

c) Deferred Tax

The charge for taxation is based on the profit for the year. Taxation deferred or accelerated can arise due to timing differences between the treatment of certain items for accounting and taxation purposes. Full provision is made for deferred taxation under the liability method on all timing differences not reversed by the Balance Sheet date.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the period in which timing differences reverse, based on tax rates and laws enacted or substantially enacted at the Balance Sheet date.

d) Foreign Exchange Gains/Losses

Transactions involving foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Investments and foreign currency balances are converted to sterling at the rate of exchange at the Balance Sheet date. Exchange gains and losses are taken to the Profit and Loss account in the period in which they arise.

2 TURNOVER

Turnover consists of the proceeds of sale of investments.

3 DIRECTORS' REMUNERATION AND EMPLOYMENT COSTS

The Directors received no emoluments in respect of their services to the Company. No Director has a contract of service with the Company. The Company has no other employees.

GARTMORE IRISH SMALLER COMPANIES INVESTMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2008

4 AUDIT FEE

The audit fee of the Company of £2,500 (2007 £2,500) was paid by the Parent Company

5 TAXATION

	2008	2007
	£	£
a) Analysis of charge in period		
Current tax	29,660	28,655
	<u>29,660</u>	<u>28,655</u>
Deferred tax	-	(2,925)
	<u>-</u>	<u>(2,925)</u>
Total tax	<u>29,660</u>	<u>25,730</u>

	2008	2007
	£	£
b) Factors affecting the current tax charge		
Profit on ordinary activities before tax	98,865	140,724
Profit on ordinary activities multiplied by the standard rate in the UK of 30%	29,660	42,217
Small companies relief	-	(16,487)
Accrued income taxable on receipt	-	2,925
Total current tax	<u>29,660</u>	<u>28,655</u>

	2008	2007
	£	£
c) Deferred Tax		
At 1 April 2007	-	2,925
Deferred tax (credit)/charge in the profit and loss account	-	(2,925)
At 31 March 2008	<u>-</u>	<u>-</u>

6 INVESTMENTS

	2008	2007
	£	£
Movement of UK listed investments held as current assets		
Valuation 1 April 2007	-	468,111
Additions at cost	673,966	1,217,861
Disposals at cost	(673,966)	(1,685,972)
	<u>-</u>	<u>-</u>
Unrealised appreciation for the year	-	-
Valuation 31 March 2008	<u>-</u>	<u>-</u>

GARTMORE IRISH SMALLER COMPANIES INVESTMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2008

7 SHARE CAPITAL

	2008	2007
	£	£
Authorised		
100 Ordinary shares of £1 each	100	100
Allotted, called up and fully paid		
1 Ordinary share of £1 each	1	1

8 RECONCILIATION OF MOVEMENT IN EQUITY SHAREHOLDERS' FUNDS

	2008	2007
	£	£
Opening Shareholders' funds	637,527	522,533
Profit for the financial period	69,205	114,994
Dividends paid	(150,000)	-
Closing Shareholders' funds	556,732	637,527

9 DIVIDENDS PAID

During the year the Company paid a dividend of £150,000 to the parent company

10 ULTIMATE PARENT COMPANY

The company is a wholly owned subsidiary of Gartmore Irish Growth Fund PLC, which is registered in England and Wales. The consolidated accounts are available to the public, on payment of the appropriate fee, from Companies Registration Office, Companies House, Crown Way, Maindy, Cardiff, CF4 3UZ.

11 CONTINGENT LIABILITIES

At 31 March 2008 there were no contingent liabilities (2007 £nil)

12 RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemption in FRS 8 from reporting related party transactions with its parent undertaking.