Equity Partnerships Fund Management Limited

Annual Report and Financial Statements

For the Year Ended 30 June 2009

Company Registration Number: 3552187

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DIRECTORS

Valsec Director Limited
P Oliver
M Carrington
R Cotterell

COMPANY SECRETARY

Valad Secretarial Services Limited

REGISTERED OFFICE

Europa House
20 Esplanade
Scarborough
North Yorkshire
YO11 2AQ

INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Benson House
33 Wellington Street
Leeds
LS1 4JP

BANKERS

Bank of Scotland
The Mound
Edinburgh
EH1 1YZ

Equity Partnerships Fund Management Limited
DIRECTORS' REPORT
For the year ended 30 June 2009

The directors present their report and the audited financial statements, for the year ended 30 June 2009.

PRINCIPAL ACTIVITY
The principal activity of the Company is as operator of various collective investment schemes.

REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS
The directors are satisfied with the performance of the Company in the year, and expect future performance to be satisfactory. The turnover for the year decreased due to a reduction in the number of collective investment schemes. The Company is actively seeking new investment schemes to improve future turnover levels.

RESULTS & DIVIDENDS
During the year the Company made a loss of £59,835 (2008: profit of £31,973). The directors proposed and paid a dividend of £nil (2008: £nil) in the year.

GOING CONCERN
Despite the current economic climate we have prepared the financial statements on a going concern basis. The justification for this is disclosed in the statement of accounting policies under the basis of preparation.

DIRECTORS
The directors who held office during the year and up to the date of signing the financial statements were:

Valsec Director Limited	Appointed 22 December 2009
P Oliver	
M Carrington	Appointed 28 January 2009
M Shepherd	Resigned 28 January 2009
R Cotterell	

PRINCIPAL RISKS AND UNCERTAINTIES
The directors of Equity Partnerships Fund Management Limited and Valad (Europe) plc Group manage the Group's risks at a Group level, rather than at an individual business unit level. For this reason, the Company's directors believe that a discussion of the Group's risks would not be appropriate for an understanding of the development, performance or position of the business of Equity Partnerships Fund Management Limited. The principal risks and uncertainties of Valad (Europe) plc, which include those of the Company, are discussed in the Group's annual report which does not form part of this report.

Non compliance with FSA
The Company is registered by the Financial Services Authority (FSA) and must comply with its rules. Failure to comply could result in the FSA using its enforcement powers which include fines, restriction on financial promotion, prosecution and prohibition of individuals.

KEY PERFORMANCE INDICATORS
The directors of Equity Partnerships Fund Management Limited manage the Group's operations on a divisional basis. For this reason, the Company's directors believe that analysis using key performance indicators of the Company is not necessary or appropriate for an understanding of the development, performance or position of the business of the company. The development, performance and position of Equity Partnerships Fund Management Limited, which includes the Company, is discussed in the Group's annual report, which does not form part of this report.

FINANCIAL RISK MANAGEMENT
The Company's financial risk management is set out in detail in note 10 to the financial statements.

ETHICAL POLICY
The Company is committed to working with our employees, customers, suppliers and contractors to promote responsible working and trading practices.

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 elected to prepare 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;
- 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.

DISCLOSURE OF INFORMATION TO AUDITORS

So far as each director is aware, there is no relevant audit information of which the Company's auditors, PricewaterhouseCoopers LLP are unaware and each 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 auditors are aware of that information.

INDEPENDENT AUDITORS

A resolution to re-appoint PricewaterhouseCoopers LLP as auditors to the Company will be proposed at the annual general meeting.

BY ORDER OF THE BOARD

Director
23 December 2009.

Company Registration Number: 3552187

Equity Partnerships Fund Management Limited

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF EQUITY PARTNERSHIPS FUND MANAGEMENT

We have audited the financial statements of Equity Partnerships Fund Management Limited Limited for the year ended 30 June 2009 which comprise the Income Statement, Statement of Changes in Equity, Balance Sheet, Cash Flow Statement, the Accounting Policies 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 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 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 Sections 495 and 496 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.

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 30 June 2009 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 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.

Derek Coe (Senior Statutory Auditor)
for and on behalf of **PricewaterhouseCoopers LLP**
Chartered Accountants and Statutory Auditors
Leeds
23 December 2009

Equity Partnerships Fund Management Limited
INCOME STATEMENT
For the year ended 30 June 2009

	Notes	Year Ended 30 June 2009 £	Year Ended 30 June 2008 £
INCOME		248,226	322,009
Cost of Sales		(300,000)	(206,827)
GROSS (LOSS)/PROFIT		(51,774)	115,182
Administrative expenses		(9,365)	(73,887)
Operating (Loss)/Profit	3	(61,139)	41,295
Finance income		1,304	4,057
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(59,835)	45,352
Income Tax expense	4	-	(13,379)
(LOSS)/PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		(59,835)	31,973

There has been no recognised income or expense other than the results above.

All activities are derived from continuing operations.

The notes on pages 10 - 17 form part of these financial statements.

Equity Partnerships Fund Management Limited
STATEMENT OF CHANGES IN EQUITY
For the year ended 30 June 2009

	Share capital	Retained earnings	Total equity
	£	£	£
Balance at 30 June 2007	100,000	207,545	307,545
Profit for the financial period	-	31,973	31,973
Balance at 30 June 2008	**100,000**	**239,518**	**339,518**
Profit for the financial year	-	(59,835)	(59,835)
Balance at 30 June 2009	**100,000**	**179,683**	**279,683**

Equity Partnerships Fund Management Limited
BALANCE SHEET
As at 30 June 2009

	Notes	30 June 2009	30 June 2008
		£	£
CURRENT ASSETS			
Trade and other receivables	5	143,509	1,651,576
Cash at bank	6	183,245	104,125
		326,754	1,755,701
CURRENT LIABILITIES			
Trade and other payables	7	(47,071)	(1,402,804)
Current tax liabilities		-	(13,379)
		(47,071)	(1,416,183)
NET CURRENT ASSETS		279,683	339,518
NET ASSETS		279,683	339,518
EQUITY			
Called up share capital	9	100,000	100,000
Retained earnings		179,683	239,518
TOTAL EQUITY		279,683	339,518

Approved by the Board and signed on its behalf by

Director
23 December 2009.

The notes on pages 10 - 17 form part of these financial statements.

Equity Partnerships Fund Management Limited
CASHFLOW STATEMENT
For the year ended 30 June 2009

	2009 £000	2008 £000
Cash flows from operating activities		
Profit for the financial year	**(59.835)**	31.973
Finance income	(1.304)	(4.057)
Income tax expense	-	13,379
Operating cash flow before movements in working capital	**(61,139)**	41,295
Decrease/(increase) in receivables	1.508.067	(27.720)
Decrease in payables	(1,369,112)	(9,320)
Cash generated from /(used in operations	**77,816**	(37,040)
Income tax expense	-	(13.379)
Cash (used in)/generated from operating activities	-	(13,379)
Cash flow from/(used in) investing activities		
Finance income	1.304	4.057
Cash generated from investing activities	**1,304**	4,057
Increase/(decrease) in cash	**79,120**	**(5,067)**
Cash and cash equivalents at start of year	**104,125**	116,919
Cash and cash equivalents at end of year	**183,245**	104,125

1. ACCOUNTING POLICIES

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

Basis of preparation

These financial statements have been prepared in accordance with European Union ("EU") Endorsed International Financial Reporting Standards ("IFRSs"), IFRIC interpretations and those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention. IFRSs also require an alternative treatment to the historic cost convention in certain circumstances (principally in the areas of retirement benefit obligations, share based payments and financial instruments). These financial statements are covered by IFRS 1, First-time adoption of International Financial Reporting Standards, as they are the Company's first IFRS financial statements.

The Company has adopted the amendment to IAS 39 'Financial instruments: recognition and measurement' and IFRS 7 'Financial instruments: disclosures' in 2008 with no material impact on either the current or prior periods.

In preparing the financial statements, the following pronouncements which are not yet effective have not been adopted early by the Company.

IAS 1 (revised), 'Presentation of Financial Statements'. The most significant change within IAS 1 (revised) is the requirement to produce a statement of comprehensive income setting out all items of income and expense relating to non-owner changes in equity. There is a choice between presenting comprehensive income in one statement or in two statements comprising an income statement and a separate statement of comprehensive income. The company will apply IAS 1 (revised) from 1 July 2009. The effect on the 2010 accounts is not expected to be material.

IFRS 8 'Operating segments'. The new standard requires a 'management approach', under which segment information is presented on the same basis as that used for internal reporting purposes. The Company will apply IFRS 8 from 1 July 2009. The effect on the 2010 accounts is not expected to be material.

IAS 23 (revised), 'Borrowing Costs'. The standard is effective from 1 January 2009 and the amendment to the standard is still subject to endorsement by the EU. It requires an entity to capitalise borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset (one that takes a substantial period of time to get ready for use or sale) as part of the cost of that asset. The company will apply IAS 23 (Amended) from 1 July 2009, subject to endorsement by the EU. The effect on the 2010 accounts is not expected to be material.

The following new standards, amendments to standards and interpretations are mandatory for the first time for the financial years beginning after 1 January 2009, but are not currently relevant to the Company:

— IFRIC 13 'Customer Loyalty Programmes';
— IFRIC 15, 'Agreements for the Construction of Real Estate'; and
— IFRIC 16, 'Hedges of a Net Investment in a Foreign Operation'.

The following new standards, amendments to standards and interpretations have been issued but are not effective for the financial year beginning 1 July 2009 and have not been adopted early:

1. ACCOUNTING POLICIES (Continued)

Basis of preparation (continued)

IFRS 3 (revised), 'Business Combinations' and consequential amendments to IAS 27, 'Consolidated and Separate Financial Statements', IAS 28, 'Investments in Associates' and IAS 31, 'Interests in Joint Ventures', effective prospectively to business combinations for which the acquisition date is on or after the first annual reporting period beginning on or after 1 July 2009. The Group will apply IFRS 3 (revised) to all business combinations from 1 July 2010, subject to endorsement by the EU.

IFRIC 17, 'Distributions of Non-Cash Assets to Owners', effective for annual periods beginning on or after 1 July 2009. This is not currently applicable to the Group, as it has not made any non-cash distributions.

IFRIC 18, 'Transfers of Assets From Customers', effective for transfers of assets received on or after 1 July 2009. This is not relevant to the Group as it has not received any assets from customers.

General information

The Company is a limited liability Company incorporated and domiciled in England and Wales. The address of its registered office is: Europa House, 20 Esplanade, Scarborough, North Yorkshire, YO11 2AQ.

Going concern

The accounts are prepared on the basis that the Company is a going concern. The company is a subsidiary of the Valad (Europe) plc group and is party to cross guarantees in relation to the Group's bank facilities. The directors have taken into account its reliance on financial support provided by group companies.

Immediately following the year end, the Group agreed new banking facilities with Lloyds Banking Group to refinance existing indebtedness and for working capital purposes. The new facility, which is a £15 million revolving credit facility, is due for renewal on 30 June 2012. The facility introduces financial covenants measured on a quarterly basis. Further details on the new facilities are included in the accounts of Valad (Europe) plc.

In forming their view as to going concern, the directors have considered the group's working capital projections (which incorporate the company) for the period to 30 June 2012 based on its trading forecasts and taking into account the medium term nature of the facilities described above and having considered alternative scenarios based on key sensitivities. The projections indicate that the group will be able to operate within its agreed banking facilities, and existing cash resources, and that the headroom available on the facilities, and cash, and related covenants is adequate taking into account the key sensitivities.

Taking all the above the directors believe that the company will be able to meet its liabilities as they fall due for the foreseeable future and that it is appropriate to prepare the company's financial statements on the going concern basis.

Trade receivables

Trade receivables are recognised initially at fair value and are subsequently reduced by any provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due. Indicators of impairment would include financial difficulties of the debtor, likelihood of the debtor's insolvency, default in payment or a significant deterioration in credit worthiness. Any impairment is recognised in the income statement within 'other operating income and expenses'. When a trade receivable is uncollectible, it is written off against the allowance account.

Subsequent recoveries of amounts previously written off are credited against 'other operating income and expenses' in the income statement.

1. ACCOUNTING POLICIES (Continued)

Trade payables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Cash and cash equivalents

In the preparation of the Company's cash flow statements, cash and cash equivalents represent short term liquid investments which are readily realisable. Cash which is subject to restrictions, being held to match certain liabilities, is included in cash and cash equivalents in the balance sheet.

Financial instruments and derivatives

The Company recognises financial instruments when it becomes party to the contractual provisions of the instrument. Financial assets are derecognised when the contractual right to receive the cash flows expire or it has transferred the financial asset and the economic benefit of the cash flows. Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled or expires.

Financial instruments are used to support the Company's operations. Interest is charged to the income statement as incurred or earned. Issue costs for instruments subsequently recorded at amortised cost are netted against the fair value of the related debt instruments on initial recognition and are charged to the income statement over the term of the relevant facility.

Financial instruments are recorded initially at fair value. Subsequent measurement depends on the designation of the instrument, as follows:

a) Financial assets/liabilities held for short term gain, including derivatives other than hedging instruments, are measured at fair value and movements in fair value are credited/charged to the income statement in the period.

b) Loans and receivables/payables and non-derivative financial assets/liabilities with fixed or determinable payments that are not quoted in an active market, are measured at amortised cost. These are included in current assets/liabilities except for instruments that mature after more than 12 months which are included in non current assets/liabilities.

Taxation

Current Tax

The charge or credit for current tax is based on the results for the year adjusted for items that are either not subject to taxation or for expenditure which cannot be deducted in computing the tax charge or credit. The tax charge or credit is calculated using taxation rates that have been enacted or substantively enacted at the balance sheet date.

Deferred Tax

Deferred tax is recognised using the balance sheet liability method on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable profit. Deferred tax is recognised in respect of all taxable temporary timing differences, with certain limited exceptions:

- deferred tax is not provided on the initial recognition of an asset or liability in a transaction that does not affect accounting profit or taxable profit and is not a business combination; and
- deferred tax assets are only recognised if it is probable that there will be sufficient profits from which the future reversal of the underlying timing differences can be deducted. In deciding whether future reversal is probable, the directors review the Company's forecasts and make an estimate of the aggregate deferred tax asset that should be recognised. This aggregate deferred tax asset is then allocated into the different categories of deferred tax.

1. ACCOUNTING POLICIES (Continued)

Deferred tax is calculated at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited to the income statement, except where it applies to items credited or charged to equity, in which case the deferred tax is also dealt with in equity.

Revenue
Revenue, which excludes value added tax, represents the invoiced value of fund management services for the year. Recurring quarterly fees are recognised on an accruals basis and variable performance fees are recognised upon completion of the performance period. All revenue arises from one class of business and within the United Kingdom.

Share capital
Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Dividend distribution
Dividend distribution to the Company's shareholders is recognised in the financial statements in the year in which the dividends are paid (in the case of interim dividends) or approved by the Company's shareholders (in the case of final dividends).

2. DIRECTORS AND STAFF

The Company had no employees during the year other than the directors, who received no remuneration.

3. OPERATING PROFIT

	Year Ended 30 June 2009	Year Ended 30 June 2008
Is stated after charging:	£	£
Auditors' remuneration – audit services	-	8,000
	-	8,000

Auditors' remuneration for the year ended 30 June 2009 has been paid in full by Valad Management Services Limited.

4. INCOME TAX EXPENSE

	Year Ended 30 June 2009	Year Ended 30 June 2008
	£	£
Current tax		
UK corporation tax	-	13,379
Total income tax expense/(credit)	-	13,379

4. INCOME TAX EXPENSE (CONTINUED)

Factors affecting tax charge for the year

The tax assessed on the profit on continuing operations for the year is higher than (2008: the same as) the standard rate of corporation tax in the UK.

The differences are explained below:

	Year Ended 30 June 2009 £	Year Ended 30 June 2008 £
(Loss)/profit before taxation	(59,835)	45,352
Tax on (loss)/profit at standard UK corporation tax rate of 28% (2008: 29.5%)	(16,754)	13,379
Effects of:		
Group relief surrendered for nil consideration	16,754	-
Income tax expense for the year	-	13,379

5. TRADE AND OTHER RECEIVABLES

	30 June 2009 £	30 June 2008 £
Trade receivables	66,603	62,030
Accrued income	-	26,751
Prepayments	25,000	25,000
Other taxation	-	880
Amounts due from group undertakings	51,906	1,536,915
	143,509	1,651,576

All amounts due from group undertakings are interest free, carry no security and are repayable on demand.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivables as disclosed above. The Company does not hold any collateral as security.

Movements on the Company provisions for impairment of trade receivables are as follows:

	30 June 2009 £	30 June 2008 £
At the start of year	27,630	-
Provisions for impairment of receivables	-	27,630
Unused amounts reversed	(27,630)	-
At the end of the year	-	27,630

5. TRADE AND OTHER RECEIVABLES (continued)

The creation and releases of the provision for impaired receivables have been included in 'other operating income and expenses' in the income statement. Amounts charged to the allowance account are generally written off, when there is no expectation of any additional recoveries.

The other classes within trade and other receivables do not contain impaired assets. As of June 2009, there were provisions against trade receivables of £nil (2008: £27,630) which were impaired. The ageing of these provisions is as follows:

	30 June 2009	30 June 2008
	£	£
3 to 6 months	-	-
Over 6 months	-	27,630
	-	27,630

As of June 2009, trade receivables of £18,145 (2008: £6,135) were past due but not impaired. These relate to a number of customers for whom there is no recent history of default and consequently there are no indications at the reporting date that they will not meet their payment obligations. The ageing analysis of these trade receivables is as follows:

	30 June 2009	30 June 2008
	£	£
3 to 6 months	6,005	6,135
Over 6 months	12,140	-
	18,145	6,135

6. CASH AND CASH EQUIVALENTS

	30 June 2009	30 June 2008
	£	£
Cash at bank	183,245	104,125

7. TRADE AND OTHER PAYABLES

	30 June 2009	30 June 2008
	£	£
Trade payable	-	88,125
Corporation tax	-	13,379
Other taxation	9,942	-
Amounts owed to group companies	10,411	1,287,429
Accruals	26,718	27,250
	47,071	1,416,183

All amounts owed to group undertakings are interest free, carry no security and are repayable on demand.

8. FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks: credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance. The Company's financial instruments principally comprise debtors and creditors that arise directly from its operations. The Company has not entered into any derivative transactions during the year.

8. FINANCIAL RISK MANAGEMENT (CONTINUED)

Risk management is carried out by a central treasury function on a group-wide basis for Valad Property Group Limited, the ultimate parent company, under policies approved by the Board of Directors of Valad Property Group Limited. The central treasury function identifies, evaluates and hedges financial risks for the group as a whole. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments and investment of excess liquidity.

Credit risk
The Company is subject to credit risk arising from outstanding receivables and committed cash and cash equivalents and deposits with banks and financial institutions. The Company's policy is to manage credit exposure to trading counterparties within defined trading limits. All of the Company's significant counterparties are assigned internal credit limits.

If any of the Company's customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, the Company assesses the credit quality of the customer taking into account its financial position, past experience and other factors.

Liquidity risk
The Company is subject to the risk that it will not have sufficient borrowing facilities to fund its existing business and its future plan for growth. The Company manages its liquidity requirements with the use of both short and long-term cash flow forecasts. These forecasts are supplemented by a financial headroom position which is used to demonstrate funding adequacy for at least a 12 month period, for Valad Property Group as a whole.

The Company's main source of liquidity is its asset management business. Cash generation by this business is dependent upon the asset management fees.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying businesses, the central treasury function aims to maintain flexibility in funding by keeping committed credit lines available.

Capital risk management
The Company is subject to the risk that its capital structure will not be sufficient to support the growth of the business.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to its parent, issue new shares or sell assets to reduce debt.

9. CALLED UP SHARE CAPITAL

	30 June 2009 £	30 June 2008 £
Authorised:		
100,000 ordinary shares of £1 each	100,000	100,000
Allotted and fully paid:		
100,000 ordinary shares of £1 each	100,000	100,000

10. RELATED PARTY TRANSACTIONS

Amounts owed by parent undertakings
The funding of Valad Property Group and its subsidiaries ('the Group') is controlled centrally. Resources are allocated to different entities within the Group according to their needs, which constantly vary due to differing trading patterns, seasonality and other factors.

Amounts owed (to)/from Group companies are year end are as follows:

Company	2009	2008
	£	£
Valad (Europe) Plc	51,906	1,536,915
Property Fund Management Limited	-	(53)
Valad Management Services Limited	(10,411)	(627,798)
Valad Holdings (UK) Plc	-	(176,250)
Valad Fund Management Holdings (UK) Limited	-	(483,329)
	41,495	249,485

During the year Valad Management Services Limited charged the Company £10,411 (2008: nil) for overheads and wages/salaries. The amount outstanding at year end was £10,411 (2008: nil).

Also, during the year Partnerships Incorporations Limited charged the Company £300,000 (2008: £206,827) for operator fees. The amount outstanding at year end was £nil (2008: nil).

11. ULTIMATE & PARENT UNDERTAKING

Equity Partnerships Fund Management Limited, at 30 June 2009, regarded Valad Property Group as its ultimate parent Company. According to the register kept by the Company, Valad Fund Management Holdings (UK) Limited has a 100% interest in the equity share capital of Equity Partnerships Fund Management Limited.

Copies of the ultimate parent's consolidated financial statements may be obtained from www.valad.com.au.

12. RECONCILIATION OF NET ASSETS AND PROFIT UNDER UK GAAP TO IFRS

The Company reported under UK GAAP in its previous financial statements for the period ended 30 June 2008. Under IFRS 1, *First-time adoption of IFRS*, a reconciliation is required of equity and profit as reported under UK GAAP as at 30 June 2008 to the revised equity and profit under IFRS, and a reconciliation of equity under UK GAAP to IFRS as at the transition date of 1 July 2007, is required. However, there has been no impact to the profit or net assets upon adopting IFRS in the period ended 30 June 2009, so no reconciliation is disclosed.

13. EVENTS AFTER THE REPORTING DATE

In July 2009 the Valad (Europe) Plc group, of which this company is a subsidiary, entered into a £15,000,000 Revolving Credit Facility with Bank of Scotland plc to refinance existing indebtedness and for working capital purposes. This facility comes up for renewal on 30 June 2012. Interest is payable at LIBOR plus a 3% margin, and an interest rate hedging facility has been entered into for £2,000,000 and €3,750,000 of the debt drawn down after the year end.

The maximum available facility will reduce on an annual basis to the following amounts, 30 June 2010 £14,000,000 and 30 June 2011 £13,000,000.