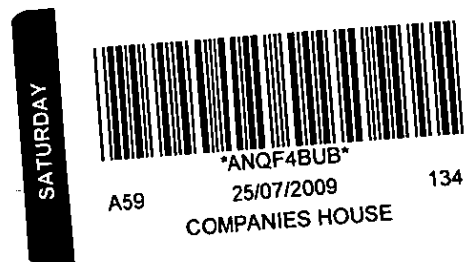


3684651

Tarchon Capital Services Limited

Report and Financial Statements

31 March 2009



Tarchon Capital Services Limited

COMPANY INFORMATION

Directors	P E Howard A Marolda A Varma
Company secretary	SLC Registrars Limited
Registered office	7th Floor 16 Berkeley Street London W1J 8DZ
Auditors	Rees Pollock Chartered Accountants and Registered Auditors 35 New Bridge Street London EC4V 6BW
Bankers	Royal Bank of Scotland 49 Charing Cross Road London SW1A 2DX
Solicitors	Berwin Leighton Paisner Adelaide House London Bridge London EC4R 9HA
Company number	3684651

DIRECTORS' REPORT

For the year ended 31 March 2009

The directors present their report and the financial statements for the year ended 31 March 2009.

Principal activities and review of business

The principal activity of the business is as a service company.

The company will seek to continue to develop the business.

Results

The profit for the year, after taxation, amounted to £150,057 (2008 - £266,851).

Directors

The directors who served during the year were:

P E Howard
A Marolda
A Varma

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). 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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Provision of information to auditors

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

DIRECTORS' REPORT

For the year ended 31 March 2009

Political and charitable contributions

During the year the company made charitable contributions of £558 (2008: £147,521).

Auditors

The auditors, Rees Pollock, are deemed to be reappointed in accordance with section 386 of the Companies Act 1985 by virtue of an elective resolution passed by the members on 28 October 2003.

Small company provisions

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

This report was approved by the board on 23 July 2009 and signed on its behalf.



A Varna
Director



REES POLLOCK

Chartered Accountants

35 New Bridge Street
London EC4V 6BW
Telephone 020 7778 7200
Fax 020 7329 6408
www.reespollock.co.uk

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF TARCHON CAPITAL SERVICES LIMITED

We have audited the financial statements of Tarchon Capital Services Limited for the year ended 31 March 2009, set out on pages 4 to 11. 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 financial statements in accordance with applicable law and United Kingdom 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 2009 and of its profit for the year then ended;
- the financial statements have been prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' report is consistent with the financial statements.

Rees Pollock
Chartered Accountants and Registered Auditors

24 July 2009

PROFIT AND LOSS ACCOUNT
For the year ended 31 March 2009

	Note	2009 £	2008 £
TURNOVER	2	3,255,000	3,920,000
Administrative expenses		(3,081,922)	(3,488,450)
OPERATING PROFIT	3	173,078	431,550
Interest receivable		57,464	69,062
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		230,542	500,612
Tax on profit on ordinary activities	6	(80,485)	(233,761)
PROFIT FOR THE FINANCIAL YEAR	14	150,057	266,851

All amounts relate to continuing operations.

There were no recognised gains and losses for 2009 or 2008 other than those included in the profit and loss account.

The notes on pages 6 to 11 form part of these financial statements.

Tarchon Capital Services Limited

BALANCE SHEET
As at 31 March 2009

	Note	£	2009 £	£	2008 £
FIXED ASSETS					
Tangible fixed assets	7		107,369		173,009
Fixed asset investments	8		884,388		947,527
			<u>991,757</u>		<u>1,120,536</u>
CURRENT ASSETS					
Debtors	9	365,661		313,711	
Cash in hand		<u>1,354,355</u>		<u>1,633,772</u>	
		1,720,016		1,947,483	
CREDITORS: amounts falling due within one year	10	<u>(504,967)</u>		<u>(888,928)</u>	
NET CURRENT ASSETS			<u>1,215,049</u>		<u>1,058,555</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>2,206,806</u>		<u>2,179,091</u>
CAPITAL AND RESERVES					
Called up share capital	13		436,320		540,000
Capital redemption reserve	14		163,680		60,000
Profit and loss account	14		<u>1,606,806</u>		<u>1,579,091</u>
SHAREHOLDERS' FUNDS	15		<u>2,206,806</u>		<u>2,179,091</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 23 July 2009.



A Varna
Director

The notes on pages 6 to 11 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2009

1. ACCOUNTING POLICIES

Basis of preparation of financial statements

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

The company is exempt from the requirement to prepare group accounts by virtue of section 248 of the Companies Act 1985. These financial statements therefore present information about the company as an individual undertaking and not about its group.

Turnover

Turnover comprises revenue recognised by the company in respect of services supplied, exclusive of value added tax.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold improvements	-	over the length of the lease
Plant & machinery	-	over two to five years

Operating leases

Rentals under operating leases are charged on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if 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.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Profit and loss account.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2009

1. ACCOUNTING POLICIES (continued)

Financial Instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract the evidences a residual interest in the assets of the company after deducting all of its liabilities.

2. TURNOVER

The turnover and operating profit for the period was derived from the company's principal continuing activity which was carried out wholly in the UK.

3. OPERATING PROFIT

The operating profit is stated after charging:

	2009 £	2008 £
Depreciation of tangible fixed assets:		
- owned by the company	110,529	110,528
Auditors' remuneration - as auditor	8,000	8,000
Auditors' remuneration - for other services	16,775	16,000
Operating lease rentals:		
- other operating leases	188,211	188,211
	<u>188,211</u>	<u>188,211</u>

4. STAFF COSTS

Staff costs, including directors' remuneration, were as follows:

	2009 £	2008 £
Wages and salaries	1,662,416	2,118,945
Social security costs	195,505	229,980
	<u>1,857,921</u>	<u>2,348,925</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2009 No.	2008 No.
	17	16
	<u>17</u>	<u>16</u>

5. DIRECTORS' REMUNERATION

	2009 £	2008 £
Benefits in kind	1,679	1,000
	<u>1,679</u>	<u>1,000</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2009

6. TAXATION

	2009 £	2008 £
UK corporation tax charge on profit for the year	80,485	233,761

Factors affecting tax charge for the year

The tax assessed for the year differs from that calculated using the standard rate of corporation in the U.K. as explained below:

	2009 £	2008 £
Profit on ordinary activities before tax	230,542	500,612
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2008 - 30%)	64,552	150,184
Effects of:		
Expenses not deductible for tax purposes	10,458	59,406
Timing differences on fixed assets	13,093	16,035
Marginal relief	(7,618)	-
Adjustments to tax charge in respect of prior periods	-	8,136
Current tax charge for the year (see note above)	80,485	233,761

7. TANGIBLE FIXED ASSETS

	Land and buildings £	Plant and machinery £	Total £
Cost			
At 1 April 2008	467,831	102,041	569,872
Additions	4,343	40,546	44,889
At 31 March 2009	472,174	142,587	614,761
Depreciation			
At 1 April 2008	300,753	96,110	396,863
Charge for the year	97,917	12,612	110,529
At 31 March 2009	398,670	108,722	507,392
Net book value			
At 31 March 2009	73,504	33,865	107,369
At 31 March 2008	167,078	5,931	173,009

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2009

8. FIXED ASSET INVESTMENTS

	Unlisted investments £
Cost or valuation	
At 1 April 2008	947,527
Disposals	(44,388)
Amounts written off	(18,751)
	<u>884,388</u>
At 31 March 2009	<u>884,388</u>

Unlisted investments include £840,000 (2008: £840,000) of capital contributions in Tarchon Capital Management LLP. This amounts to 99.3% (2008: 99.3%) of the total capital contributions of the LLP. The LLP has not been treated as a subsidiary as the company has no voting rights and therefore does not exert any control over the LLP.

The disposal and amount written off were on the investment in the Tarchon Fund of Funds Segregated Portfolio Class A4 shares. Tarchon Capital Management LLP is the Investment Manager of this Fund of Funds.

9. DEBTORS

	2009 £	2008 £
VAT recoverable	20,282	27,498
Other debtors	195,129	195,129
Prepayments and accrued income	150,250	91,084
	<u>365,661</u>	<u>313,711</u>

Other debtors of £195,129 (2008: £195,129) are due after more than one year.

10. CREDITORS:
Amounts falling due within one year

	2009 £	2008 £
Trade creditors	92,317	41,385
Corporation tax	80,485	225,625
Social security and other taxes	55,951	37,000
Other creditors	8,108	1,379
Accruals and deferred income	268,106	583,539
	<u>504,967</u>	<u>888,928</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2009

11. OPERATING LEASE COMMITMENTS

At 31 March 2009 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2009	2008
	£	£
Expiry date:		
Between 2 and 5 years	244,938	221,423

12. RELATED PARTY TRANSACTIONS

During the year Tarchon Capital Services Limited received £25,000 (2008: £25,000) in respect of marketing services provided to Tarchon Distribution Limited, a company owned by Park Brook Trust. A Marolda has an interest under this trust.

The company is a corporate member of Tarchon Capital Mangement LLP ('the LLP'), a limited liability partnership registered in England and Wales. It provides support services to the LLP and, in accordance with the Partnership Agreement, is entitled to receive reimbursement of expenses incurred in relation to these services.

During the year the company recharged £3,035,000 (2008: 3,700,000) to the LLP in respect of these services. The LLP was also charged £195,000 (2008: £195,000) relating the the transfer of the investment management agreements into the name of the LLP. The company was allocated profit of £nil (2008: £nil) by the LLP.

13. SHARE CAPITAL

	2009	2008
	£	£
Authorised		
1,000,000 Ordinary shares of £1 each	1,000,000	1,000,000
Allotted, called up and fully paid		
436,320 (2008 - 540,000) Ordinary shares of £1 each	436,320	540,000

During the year the company purchased 103,680 of its own shares, at £1.18 per share.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2009

14. RESERVES

	Capital redempt'n reserve £	Profit and loss account £
At 1 April 2008	60,000	1,579,091
Profit for the year		150,057
Purchase of own shares		(122,342)
Transfer on purchase of own shares	103,680	
	<u>163,680</u>	<u>1,606,806</u>
At 31 March 2009		

15. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2009 £	2008 £
Opening shareholders' funds	2,179,091	1,912,240
Profit for the year	150,057	266,851
Shares redeemed/cancelled during the year	(122,342)	-
	<u>2,206,806</u>	<u>2,179,091</u>
Closing shareholders' funds		

16. PARENT UNDERTAKING AND CONTROLLING PARTY

The immediate parent undertaking is Roldan Holdings Limited, a company incorporated in the British Virgin Islands, which holds 373,680 shares.

In the directors' opinion the ultimate controlling party is the Park Brook Trust, established under the law of Jersey.

A Marolda has an interest under this trust.