

Report of the Directors and
Unaudited Financial Statements
for the Year Ended 30 June 2010
for
Curzon Capital Limited



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for the Year Ended 30 June 2010

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Curzon Capital Limited

Company Information
for the Year Ended 30 June 2010

DIRECTORS: C Derricott Esq
W F C Graham Esq

SECRETARY: W F C Graham Esq

REGISTERED OFFICE: 34 Clarges Street
London
W1J 7EJ

REGISTERED NUMBER: 03792077 (England and Wales)

ACCOUNTANTS: Andrew Hamilton and Co
Chartered Accountants
38 Dean Park Mews
Edinburgh
Lothian
EH4 1ED

BANKERS: Adam & Company plc
22 Charlotte Square
Edinburgh
EH2 4DF

Report of the Directors
for the Year Ended 30 June 2010

The directors present their report with the financial statements of the company for the year ended 30 June 2010

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of an investment adviser dedicated to alternative investments including venture capital and private equity

REVIEW OF BUSINESS

Due to the global economic downturn and tough market conditions, the company has reported a loss making result for the year ending 30th June 2010

The key financial highlights are as follows

| | 2010 | 2009 |
|---------------------------------|------------|------------|
| Turnover | £253,822 | £1,171,105 |
| Profit / (loss) before taxation | £(498,808) | £765,291 |

The company continues to develop its business in areas where it has experience and a track record as well as introducing new products in areas where it has identified strong investor demand. The company will also look to expand its range of financial products through joint ventures and strategic alliances

DIVIDENDS

No dividends will be distributed for the year ended 30 June 2010

DIRECTORS

The directors shown below have held office during the whole of the period from 1 July 2009 to the date of this report

C Derricott Esq
W F C Graham Esq

PRINCIPAL RISKS AND UNCERTAINTIES

The company recognises that the loss of key staff could pose a potential risk to the company, as would the loss of its key clients

The company's strategy is to monitor and constantly review any such potential risk

The company expects the tough market conditions to continue in the medium term. Despite the global economic downturn the company believes that the financial markets provide a number of opportunities and positive challenges for a niche player such as ours

FINANCIAL INSTRUMENTS

The company's principal financial instruments comprise bank balance, trade creditors and trade debtors. The main purpose of these instruments is to raise funds for the company's operations and to finance the company's trading activities

Due to the nature of the financial instruments used, there is no exposure to price risk. The company's approach to managing other risks applicable to the financial instruments concerned is described below

In respect of bank balances, the liquidity risk is managed by maintaining sufficient balances in liquid form for the immediate and future needs of the company

Trade debtors are managed in respect of credit and cash flow risk. The company regularly monitors credit limits and the terms offered to its customers

Trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet amounts due

POLITICAL AND CHARITABLE CONTRIBUTIONS

During the year no charitable or political donations were made (2009 £nil)

Report of the Directors
for the Year Ended 30 June 2010

EMPLOYEES

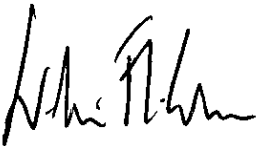
It is recognised that staff members are a highly important asset to the company and the company remains strongly committed to providing a good working environment coupled with attractive remuneration packages

The company is committed to providing a comprehensive training programme to all its employees both to encourage the taking of formal qualifications and ongoing professional development

ENVIRONMENT

The company strives to reduce any impact it might have on the environment

ON BEHALF OF THE BOARD



W F C Graham Esq - Director

Date 20 October 2010

Profit and Loss Account
for the Year Ended 30 June 2010

| | Notes | 30 6 10 | | 30 6 09 | |
|---|-------|---------|-----------|-----------|-----------|
| | | £ | £ | £ | £ |
| TURNOVER | 2 | | 253,821 | | 1,171,105 |
| Administrative expenses | | | 883,362 | | 1,470,426 |
| | | | (629,541) | | (299,321) |
| Other operating income | | | 584 | | 32,323 |
| OPERATING LOSS | 4 | | (628,957) | | (266,998) |
| Income from shares in group undertakings | 5 | 130,000 | | 1,007,105 | |
| Interest receivable and similar income | 6 | 149 | | 25,184 | |
| | | | 130,149 | | 1,032,289 |
| (LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION | | | (498,808) | | 765,291 |
| Tax on (loss)/profit on ordinary activities | 7 | | (125,681) | | 135,023 |
| (LOSS)/PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION | | | (373,127) | | 630,268 |
| (DEFICIT)/PROFIT FOR THE YEAR | | | (373,127) | | 630,268 |
| Retained profit/(deficit) brought forward | | | 251,629 | | (323,336) |
| | | | (121,498) | | 306,932 |
| Purchase of own shares | | | - | | (55,303) |
| (DEFICIT)/RETAINED PROFIT CARRIED FORWARD | | | (121,498) | | 251,629 |

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous year

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the loss for the current year and the profit for the previous year

Note of Historical Cost Profits and Losses
for the Year Ended 30 June 2010

| | 30 6 10 £ | 30 6 09 £ |
|---|--------------|--------------|
| REPORTED (LOSS)/PROFIT | | |
| ON ORDINARY ACTIVITIES BEFORE TAXATION | (498,808) | 765,291 |
| As previously reported | _____ | _____ |
| HISTORICAL COST (LOSS)/PROFIT | | |
| ON ORDINARY ACTIVITIES BEFORE TAXATION | (498,808) | 765,291 |
| | ===== | ===== |
| HISTORICAL COST (LOSS)/PROFIT | | |
| FOR THE YEAR RETAINED AFTER TAXATION | (373,127) | 630,268 |
| | ===== | ===== |

The notes form part of these financial statements

Balance Sheet
30 June 2010

| | Notes | 30 6 10 £ | £ | 30 6 09 £ | £ |
|--|-------|----------------|------------------|----------------|-----------------|
| FIXED ASSETS | | | | | |
| Tangible assets | 8 | | 2,796 | | 9,184 |
| Investments | 9 | | 10,000 | | 267,298 |
| | | | <u>12,796</u> | | <u>276,482</u> |
| CURRENT ASSETS | | | | | |
| Debtors | 10 | 74,588 | | 158,305 | |
| Cash at bank and in hand | | <u>509,198</u> | | <u>158,559</u> | |
| | | 583,786 | | 316,864 | |
| CREDITORS | | | | | |
| Amounts falling due within one year | 11 | <u>712,530</u> | | <u>336,167</u> | |
| NET CURRENT LIABILITIES | | | <u>(128,744)</u> | | <u>(19,303)</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | <u>(115,948)</u> | | <u>257,179</u> |
| CAPITAL AND RESERVES | | | | | |
| Called up share capital | 14 | | 5,050 | | 5,050 |
| Capital redemption reserve | 15 | | 500 | | 500 |
| Profit and loss account | | | <u>(121,498)</u> | | <u>251,629</u> |
| SHAREHOLDERS' FUNDS | 17 | | <u>(115,948)</u> | | <u>257,179</u> |

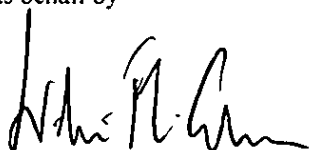
The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 30 June 2010

The members have not required the company to obtain an audit of its financial statements for the year ended 30 June 2010 in accordance with Section 476 of the Companies Act 2006

The directors acknowledge their responsibilities for

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company

The financial statements were approved by the Board of Directors on 20 October 2010 and were signed on its behalf by



W F C Graham Esq - Director

The notes form part of these financial statements

Cash Flow Statement
for the Year Ended 30 June 2010

| | Notes | 30 6 10 £ | 30 6 09 £ |
|---|-------|----------------|------------------|
| Net cash outflow from operating activities | 1 | (53,153) | (1,007,471) |
| Returns on investments and servicing of finance | 2 | 130,149 | 1,032,289 |
| Taxation | | 1 | 2,986 |
| Capital expenditure and financial investment | 2 | 209,510 | (258,843) |
| | | <u>286,507</u> | <u>(231,039)</u> |
| Financing | 2 | 51,613 | (96,376) |
| Increase/(Decrease) in cash in the period | | <u>338,120</u> | <u>(327,415)</u> |
| <hr/> | | | |
| Reconciliation of net cash flow to movement in net funds | 3 | | |
| Increase/(Decrease) in cash in the period | | <u>338,120</u> | <u>(327,415)</u> |
| Change in net funds resulting from cash flows | | <u>338,120</u> | <u>(327,415)</u> |
| Movement in net funds in the period | | <u>338,120</u> | <u>(327,415)</u> |
| Net funds at 1 July | | <u>158,559</u> | <u>485,974</u> |
| Net funds at 30 June | | <u>496,679</u> | <u>158,559</u> |

The notes form part of these financial statements

Notes to the Cash Flow Statement
for the Year Ended 30 June 2010

1 RECONCILIATION OF OPERATING LOSS TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

| | 30 6 10 £ | 30 6 09 £ |
|---|-----------------|--------------------|
| Operating loss | (628,957) | (266,998) |
| Depreciation charges | 6,388 | 6,482 |
| Loss on disposal of fixed assets | 47,789 | - |
| Decrease in debtors | 135,485 | 223,492 |
| Increase/(Decrease) in creditors | 386,142 | (970,447) |
| Net cash outflow from operating activities | <u>(53,153)</u> | <u>(1,007,471)</u> |

2 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

| | 30 6 10 £ | 30 6 09 £ |
|---|----------------|------------------|
| Returns on investments and servicing of finance | | |
| Interest received | 149 | 25,184 |
| Dividends received | 130,000 | 1,007,105 |
| Net cash inflow for returns on investments and servicing of finance | <u>130,149</u> | <u>1,032,289</u> |
| Capital expenditure and financial investment | | |
| Purchase of tangible fixed assets | - | (1,544) |
| Purchase of fixed asset investments | - | (257,300) |
| Sale of fixed asset investments | 209,510 | 1 |
| Net cash inflow/(outflow) for capital expenditure and financial investment | <u>209,510</u> | <u>(258,843)</u> |
| Financing | | |
| Amount introduced by directors | 429,090 | 703,476 |
| Amount withdrawn by directors | (377,477) | (639,349) |
| Share issue | - | (500) |
| Share buyback | - | (160,003) |
| Net cash inflow/(outflow) from financing | <u>51,613</u> | <u>(96,376)</u> |

3 ANALYSIS OF CHANGES IN NET FUNDS

| | At 1 7 09 £ | Cash flow £ | At 30 6 10 £ |
|--------------------------|----------------|----------------|--------------------|
| Net cash | | | |
| Cash at bank and in hand | 158,559 | 350,639 | 509,198 |
| Bank overdraft | - | (12,519) | (12,519) |
| | <u>158,559</u> | <u>338,120</u> | <u>496,679</u> |
| Total | <u>158,559</u> | <u>338,120</u> | <u>496,679</u> |

The notes form part of these financial statements

Notes to the Financial Statements
for the Year Ended 30 June 2010

1 ACCOUNTING POLICIES

Accounting convention

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

The accounts have been prepared under the going concern basis, the acceptability of which is dependent on the continuing support of the directors and bank

Turnover

Turnover represents net invoiced sales of services, excluding value added tax, except in respect of service contracts where turnover is recognised when the company obtains the right to consideration

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life

Plant and machinery - 20% on cost

Deferred tax

Deferred tax arises as a result of including items of income and expenditure in taxation computations in periods different from those in which they are included in the company's accounts. Deferred tax is provided in full on timing differences which result in an obligation to pay more (or less) tax at a future date, at the average tax rates that are expected to apply when the timing differences reverse, based on current tax rates and laws.

Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the asset.

Deferred tax assets and liabilities are not discounted

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate.

Investments

Investments are shown at the lower of cost and permanent diminution in value. The directors review the realisable value of investments on an annual basis.

2 TURNOVER

The company's sales in the year were to the following geographical markets

| | 30 06 2010 | 30 06 2009 |
|-------------------|------------|------------|
| | % | % |
| United Kingdom | 100 | 70 |
| Rest of the world | 0 | 30 |
| | <hr/> | <hr/> |
| | 100 | 100 |
| | <hr/> | <hr/> |

Notes to the Financial Statements - continued
for the Year Ended 30 June 2010

3 STAFF COSTS

| | 30 6 10 | 30 6 09 |
|-----------------------|----------------|----------------|
| | £ | £ |
| Wages and salaries | 158,476 | 377,684 |
| Social security costs | 15,082 | 44,198 |
| Other pension costs | 381,300 | 450,000 |
| | <u>554,858</u> | <u>871,882</u> |

The average monthly number of employees during the year was as follows

| | 30 6 10 | 30 6 09 |
|----------------|----------|----------|
| Management | 2 | 2 |
| Administration | 3 | 5 |
| | <u>5</u> | <u>7</u> |

4 OPERATING LOSS

The operating loss is stated after charging

| | 30 6 10 | 30 6 09 |
|--|----------------|----------------|
| | £ | £ |
| Depreciation - owned assets | 6,388 | 6,482 |
| Loss on disposal of fixed assets | 47,789 | - |
| Auditors' remuneration | - | 2,500 |
| Auditors' remuneration for non audit work | - | 5,144 |
| Foreign exchange differences | 196 | 79 |
| Bank interest and charges | 932 | 8,983 |
| | <u>-</u> | <u>6,116</u> |
| Directors' remuneration | - | 6,116 |
| Directors' pension contributions to money purchase schemes | 381,300 | 450,000 |
| | <u>381,300</u> | <u>450,000</u> |

The number of directors to whom retirement benefits were accruing was as follows

| | 2 | 2 |
|------------------------|----------|----------|
| Money purchase schemes | <u>2</u> | <u>2</u> |

5 INCOME FROM SHARES IN GROUP UNDERTAKINGS

| | 30 6 10 | 30 6 09 |
|------------------------------|----------------|------------------|
| | £ | £ |
| Shares in group undertakings | <u>130,000</u> | <u>1,007,105</u> |

6 INTEREST RECEIVABLE AND SIMILAR INCOME

| | 30 6 10 | 30 6 09 |
|--------------------------|------------|---------------|
| | £ | £ |
| Deposit account interest | <u>149</u> | <u>25,184</u> |

Notes to the Financial Statements - continued
for the Year Ended 30 June 2010

7 TAXATION

Analysis of the tax (credit)/charge

The tax (credit)/charge on the loss on ordinary activities for the year was as follows

| | 30 6 10 £ | 30 6 09 £ |
|---|--------------|--------------|
| Current tax | | |
| UK corporation tax | - | 138,509 |
| Tax loss carry back | (124,823) | (2,986) |
| Total current tax | (124,823) | 135,523 |
| Deferred tax | (858) | (500) |
| Tax on (loss)/profit on ordinary activities | (125,681) | 135,023 |

UK corporation tax was charged at 28% in 2009

Factors affecting the tax (credit)/charge

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below

| | 30 6 10 £ | 30 6 09 £ |
|---|--------------|--------------|
| (Loss)/profit on ordinary activities before tax | (498,808) | 765,291 |
| (Loss)/profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2009 - 28%) | (139,666) | 214,281 |
| Effects of Depreciation in excess of capital allowances | 1,216 | 667 |
| Expenses disallowed | 17,763 | 4,821 |
| Losses available for carry back/ carry forward | 120,687 | (81,260) |
| Tax repaid | - | (2,986) |
| Prior year tax saved | (124,823) | - |
| Current tax (credit)/charge | (124,823) | 135,523 |

Notes to the Financial Statements - continued
for the Year Ended 30 June 2010

8 TANGIBLE FIXED ASSETS

| | Plant and machinery £ |
|------------------------------------|-----------------------------|
| COST | |
| At 1 July 2009 and 30 June 2010 | 49,467 |
| DEPRECIATION | |
| At 1 July 2009 | 40,283 |
| Charge for year | 6,388 |
| At 30 June 2010 | 46,671 |
| NET BOOK VALUE | |
| At 30 June 2010 | 2,796 |
| At 30 June 2009 | 9,184 |

9 FIXED ASSET INVESTMENTS

| | Listed investments £ | Unlisted investments £ | Totals £ |
|-----------------------|----------------------------|------------------------------|-------------|
| COST | | | |
| At 1 July 2009 | 257,299 | 10,000 | 267,299 |
| Disposals | (257,299) | - | (257,299) |
| At 30 June 2010 | - | 10,000 | 10,000 |
| NET BOOK VALUE | | | |
| At 30 June 2010 | - | 10,000 | 10,000 |
| At 30 June 2009 | 257,299 | 10,000 | 267,299 |

Curzon Capital Ltd acquired 192,000 ordinary shares of Curzon Capital PCC Ltd - Poland Geared Growth cell on 23 July 2008 for £257,299. These shares were sold to Christopher Derricott on 16 June 2010 for £209,510, the loss of £47,788 has been recognised in the profit and loss account in respect of this transaction.

Notes to the Financial Statements - continued
for the Year Ended 30 June 2010

9 FIXED ASSET INVESTMENTS - continued

The company's investments at the balance sheet date in the share capital of companies include the following

Curzon Capital Investment Management Limited

Country of incorporation Guernsey

Nature of business Investment management

| | % | | |
|--------------------------------|---------|-------------------|-------------------|
| Class of shares | holding | | |
| Ordinary shares | 99 00 | 30 6 10 | 30 6 09 |
| | | £ | £ |
| Aggregate capital and reserves | | - | 222,806 |
| Profit for the year | | - | 406,704 |
| | | <u> </u> | <u> </u> |

Curzon Capital Investment Management Limited ("CCIML") is currently in formal liquidation following the loss of its management contracts in Guernsey. The Guernsey-resident non-executive directors of CCIML were also directors of Curzon Capital PCC Limited and Curzon Capital PCC II Limited, these being the protected cell companies of which the three funds established and promoted by Curzon Capital Limited were cells. These individuals, along with others, orchestrated the removal of CCIML as Principal Manager of the Poland and Romania cells. This left CCIML with only the Fine Wine cell remaining under its management and the fee income from this was insufficient to cover the operating costs of the company. Curzon Capital Limited (the sole shareholder of CCIML) therefore resolved that CCIML should resign as the Principal Manager of the Fine Wine cell and to liquidate the company. Liquidation accounts are in the process of being prepared as at the date of these accounts.

The financial statements contain information relating to Curzon Capital Limited as an individual company and do not contain consolidated financial information for the group. The figures stated above are from the unaudited financial statements of Curzon Capital Investment Management Ltd.

10 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 30 6 10 | 30 6 09 |
|--------------------------------|---------------|----------------|
| | £ | £ |
| Trade debtors | 12,780 | 16,614 |
| Other debtors | - | 113,171 |
| Directors' current accounts | 50,910 | - |
| Deferred tax asset | 1,076 | 218 |
| Prepayments and accrued income | 9,822 | 28,302 |
| | <u>74,588</u> | <u>158,305</u> |

11 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 30 6 10 | 30 6 09 |
|---|----------------|----------------|
| | £ | £ |
| Bank loans and overdrafts (see note 12) | 12,519 | - |
| Trade creditors | 23,332 | 34,840 |
| Tax | 13,687 | 138,509 |
| Social security and other taxes | 5,060 | 25,157 |
| Other creditors | 448,832 | 9,859 |
| Directors' current accounts | 206,600 | 104,077 |
| Accrued expenses | 2,500 | 23,725 |
| | <u>712,530</u> | <u>336,167</u> |

Notes to the Financial Statements - continued
for the Year Ended 30 June 2010

12 **LOANS**

An analysis of the maturity of loans is given below

| | 30 6 10 £ | 30 6 09 £ |
|--|--------------|--------------|
| Amounts falling due within one year or on demand | | |
| Bank overdrafts | 12,519 | - |

13 **DEFERRED TAX**

| | £ |
|-------------------------|---------|
| Balance at 1 July 2009 | (218) |
| Deferred tax provision | (858) |
| Balance at 30 June 2010 | (1,076) |

14 **CALLED UP SHARE CAPITAL**

| Allotted, issued and fully paid | | | 30 6 10 | 30 6 09 |
|---------------------------------|------------------------|---------------|---------|---------|
| Number | Class | Nominal value | £ | £ |
| 495,000 | Ordinary shares | £0 01 | 4,950 | 4,950 |
| 5,000 | Ordinary shares type A | £0 01 | 50 | 50 |
| 5,000 | Ordinary shares type B | £0 01 | 50 | 50 |
| | | | 5,050 | 5,050 |

15 **RESERVES**

| | Capital redemption reserve £ |
|-----------------|---------------------------------|
| At 1 July 2009 | 500 |
| At 30 June 2010 | 500 |

The capital redemption reserve is non-distributable See Note 14

Notes to the Financial Statements - continued
for the Year Ended 30 June 2010

16 RELATED PARTY DISCLOSURES

The following disclosures are required by Financial Reporting Standard No 8

Transactions with related parties during the year and balances outstanding at the year end were as follows

| Related Party | Type of transaction | Transaction | Balance receivable/(payable) by related party at | |
|--|------------------------|----------------------------|--|----------|
| | | | 30/06/10 | 30/06/09 |
| (1) Ventura Holdings Limited | Provision of services | £nil (2009 £30,000) | £1,082 | £nil |
| (2) Dark Flash SIPP | Pension contribution | £381,300 (2009 £450,000) | £nil | £nil |
| (3) Curzon Capital Investment Management Limited | Loan | £nil (2009 £nil) | £nil | £nil |
| | Commission paid | £nil (2009 £28,730) | £nil | £1,614 |
| | Dividends received | £130,000 (2009 £1,007,105) | £nil | £nil |
| | Recharged expenses | £57,459 (2009 £7,500) | £(3,800) | £(7,500) |
| (4) Christopher Derricott | Purchase of investment | £209,510 (2009 £nil) | £(209,510) | £nil |

Notes

All transactions were carried out under normal commercial terms

(1) The directors of Curzon Capital Limited are directors of Ventura Holdings Limited

(2) Dark Flash SIPP is an occupational pension scheme established for the benefit of the company's directors

(3) Curzon Capital Limited owns 99% of the share capital of Curzon Capital Investment Management Limited

(4) Christopher Derricott is a director and shareholder in Curzon Capital Limited

17 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

| | 30 6 10 £ | 30 6 09 £ |
|--|------------------|----------------|
| (Loss)/Profit for the financial year | (373,127) | 630,268 |
| Increase in issued share capital | | |
| Purchase of own shares | - | (160,503) |
| Net (reduction)/addition to shareholders' funds | (373,127) | 469,765 |
| Opening shareholders' funds | 257,179 | (212,586) |
| Closing shareholders' funds | (115,948) | 257,179 |

18 CONTROLLING INTEREST

Curzon Capital Limited has no overall controlling interest

Chartered Accountants' Report to the Board of Directors
on the Unaudited Financial Statements of
Curzon Capital Limited

In accordance with our terms of engagement and in order to assist you to fulfil your duties under the Companies Act 2006, we have prepared the financial statements of the company for the year ended 30 June 2010 on pages four to fifteen from the accounting records and information and explanations supplied to us

This report is made to the company's Board of Directors, as a body, in accordance with the terms of our engagement. Our work has been undertaken to enable us to prepare the financial statements on behalf of the company's Board of Directors 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 Board of Directors, as a body, for our work or for this report.

We have carried out this engagement in accordance with best practice guidance issued by the Institute of Chartered Accountants of Scotland and have complied with the ethical guidance laid down by the Institute relating to members undertaking the preparation of financial statements.

You have acknowledged on the Balance Sheet as at 30 June 2010 your duty to ensure that the company has kept proper accounting records and to prepare financial statements that give a true and fair view under the Companies Act 2006. You consider that the company is exempt from the statutory requirement for an audit for the year.

We have not been instructed to carry out an audit of the financial statements. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the financial statements.



Andrew Hamilton and Co
Chartered Accountants
38 Dean Park Mews
Edinburgh
Lothian
EH4 1ED

Date

19-10-2010

Profit and Loss Account
for the Year Ended 30 June 2010

| | 30 6 10 | | 30 6 09 | |
|---|---------|-----------|-----------|-----------|
| | £ | £ | £ | £ |
| Turnover | | | | |
| Expenses recovered | 5,961 | | 127,385 | |
| Operating fee | - | | 56,841 | |
| Commission received | 247,860 | | 986,879 | |
| | <hr/> | 253,821 | <hr/> | 1,171,105 |
| Other income | | | | |
| Sundry receipts | 584 | | 32,323 | |
| Shares in group undertakings | 130,000 | | 1,007,105 | |
| Deposit account interest | 149 | | 25,184 | |
| | <hr/> | 130,733 | <hr/> | 1,064,612 |
| | | 384,554 | | 2,235,717 |
| Expenditure | | | | |
| Rent & administration | 40,499 | | 19,329 | |
| Insurance | 6,800 | | 4,955 | |
| Light and heat | 2,193 | | 2,798 | |
| Repairs to property | 997 | | - | |
| Health insurance | 14,659 | | 9,856 | |
| Directors' pension contributions | 381,300 | | 450,000 | |
| Wages | 158,476 | | 377,684 | |
| Social security | 15,082 | | 44,198 | |
| Promotion costs | 3,746 | | 101,877 | |
| Telephone | 12,995 | | 10,805 | |
| Post and stationery | 5,300 | | 9,597 | |
| Travelling | 9,056 | | 24,472 | |
| Cleaning | 4,406 | | 5,007 | |
| Commission paid | 11,291 | | 232,075 | |
| Subscriptions | 16,521 | | 22,411 | |
| Courses and training | 132 | | 5,401 | |
| Computer costs | 5,719 | | 6,516 | |
| Sundry expenses | 106 | | 1,376 | |
| Accountancy | 1,919 | | - | |
| Bookkeeping | 4,762 | | 5,171 | |
| Reimbursed expenses | 5,649 | | 12,812 | |
| Legal & professional fee | 29,799 | | 46,541 | |
| Shareholders protection | 6,310 | | 4,797 | |
| Auditors' remuneration | - | | 2,500 | |
| Auditors' remuneration for non audit work | - | | 5,144 | |
| Foreign exchange losses | 196 | | 79 | |
| Advertising | 575 | | - | |
| Entertainment | 9,416 | | 12,270 | |
| Bad debts | 80,349 | | 37,290 | |
| | <hr/> | 828,253 | <hr/> | 1,454,961 |
| | | (443,699) | | 780,756 |
| Finance costs | | | | |
| Bank charges | | 932 | | 8,983 |
| Carried forward | | (444,631) | | 771,773 |

This page does not form part of the statutory financial statements

Profit and Loss Account
for the Year Ended 30 June 2010

| | 30 6 10 | 30 6 09 |
|---|-------------------------|-----------------------|
| | £ | £ |
| Brought forward | (444,631) | 771,773 |
| Depreciation | | |
| Plant and machinery | 6,388 | 6,482 |
| | <u>(451,019)</u> | <u>765,291</u> |
| Loss on disposal of fixed assets | | |
| Profit/loss on fixed asset investment | 47,789 | - |
| NET (LOSS)/PROFIT | <u><u>(498,808)</u></u> | <u><u>765,291</u></u> |