

Registered Number 4027724

FF&P ADVISORY LIMITED

Annual Report and Accounts

31 March 2008

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COMPANIES HOUSE

DIRECTORS

Sir John Craven (resigned 6 September 2007)

K D Felton

D F Fletcher

M R Garber

R A Hill

J Irwin (appointed 1 April 2008)

G M Rochussen

SECRETARY

C E S Stone

REGISTERED OFFICE

Ely House
37 Dover Street
London
W1S 4NJ

Telephone 020 7409 5600
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INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP
Hay's Galleria
1 Hay's Lane
London SE1 2RD

REGISTERED NUMBER

4027724

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2008

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

PRINCIPAL ACTIVITIES

The principal activity during the year was the provision of specialist corporate finance advisory services. The Company is regulated by the FSA.

REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS

Earnings from advisory services are by their nature volatile and depend on the consummation of deals, many of which remain in the pipeline for some time. During the year, significant income was recognised from one mandate for which the majority of services had been provided in prior years.

The annual report and accounts of Fleming Family & Partners Limited include a review of the Group's principal business risks and uncertainties and business development and performance.

RESULTS AND DIVIDENDS

In the year under review, the Company recorded an operating profit of £2.9 million (2007: £0.6 million loss) on gross revenues of £6.0 million (2007: £2.9 million). At 31 March 2008, the Company had net assets of £3.6 million (2007: £3.1 million).

An interim dividend of £1,250,000 in respect of 2008 was paid during the year (2007: nil). The directors do not recommend the payment of a final dividend (2007: nil).

DIRECTORS

The directors of the Company are listed on page 1. Mr J Irwin was appointed a director of the Company with effect from 1 April 2008.

EMPLOYEES

The Company currently has no direct employees but is charged by FFP Services Limited for the cost of staff carrying out its work.

POLICY & PRACTICE ON PAYMENT OF CREDITORS

It is the Company's intention to be a timely payer of bills where the aim is to settle all invoices within 30 days of receipt.

FINANCIAL RISK MANAGEMENT

The Company is exposed to financial risk predominantly through the operation of its bank accounts. Balances on such accounts are generally held on short term notice and are therefore subject to short term variations in interest rates.

Currency risk

The Company's income and expenses, assets and liabilities are generally denominated in sterling. The Company ensures that the exposure to net assets held in foreign currency is monitored and managed as appropriate.

Market risk

For some mandates, the Company is remunerated with equity stakes in its clients. Such income is affected by the impact of movements in the value of the relevant securities. It is not currently the policy of the Company to seek to reduce the exposure of the Company through hedging mechanisms.

Credit risk

Significant Advisory mandates are only agreed following approval from the Risk Management Group.

The majority of the Company's assets comprises debtors and cash at bank. It is the Company's policy to hold cash with a small number of high quality institutions. Debtors are monitored regularly.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as each director is aware, there is no relevant audit information of which the Company's auditor is unaware. 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 auditor is aware of that information.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year that 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 year. In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable United Kingdom accounting standards have been followed subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

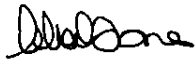
The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

COMPANIES ACT 1985

An elective resolution under section 379A of the Companies Act 1985 is in force dispensing with the requirement for the holding of annual general meetings, laying of accounts before shareholders at general meetings and the re-election of auditors

By order of the Board



C E S Stone
Secretary

8 July 2008

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FF&P ADVISORY LIMITED

We have audited the financial statements of FF&P Advisory Limited for the year ended 31 March 2008 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

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). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, 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.

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

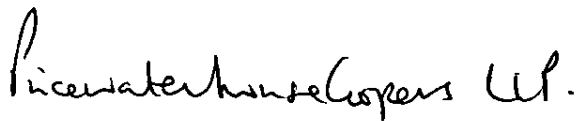
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the 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



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
London
9 July 2008

Profit and Loss Account for the year ended 31 March 2008

	Note	2008 £'000	2007 £'000
Turnover		6,045	2,851
Administrative expenses		(3,164)	(2,292)
Operating profit	3	2,881	559
Interest receivable and similar income		140	7
Profit on ordinary activities before taxation		3,021	566
Tax on profit on ordinary activities	5	(1,256)	(170)
Profit for the financial year		1,765	396

The above results are all attributable to continuing operations

The Company has no recognised gains and losses other than the profit above and therefore no separate statement of total recognised gains and losses has been presented

There is no difference between the profit before taxation and the retained profit for the financial year stated above and their historical cost equivalents

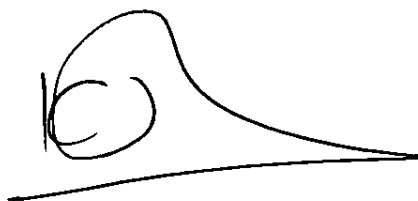
The notes on pages 9 to 13 form an integral part of these financial statements

FF&P Advisory Limited

Balance Sheet at 31 March 2008

	Note	2008 £'000	2007 £'000
Current assets			
Debtors	7	8,607	3,149
Investment	8	900	900
Cash at bank and in hand		118	56
		9,625	4,105
Creditors – amounts falling due within one year			
	9	(6,029)	(1,024)
Net current assets		3,596	3,081
Total assets less current liabilities		3,596	3,081
Net assets		3,596	3,081
Capital and reserves			
Called up share capital	10	2,650	2,650
Profit and loss account	11	946	431
Total shareholder's funds	12	3,596	3,081

The financial statements on pages 7 to 13 were approved by the board of directors on 9 July 2008 and were signed on its behalf by



K D Felton
Director

The notes on pages 9 to 13 form an integral part of these financial statements

Notes to the financial statements for the year ended 31 March 2008

1 Accounting policies

These financial statements are prepared on the going concern basis, under the historical cost convention, and in accordance with the Companies Act 1985 and applicable accounting standards. The principal accounting policies are set out below.

Turnover – Turnover principally comprises fee income receivable for the provision of advisory services. The Company receives certain non-cash remuneration for advisory services in the form of investments, typically shares and other securities. In such instances, the revenue is recognised when the instrument is realised in cash. In the opinion of the directors, the uncertainty over the value of such income is such that income is only recognised when realised in cash and until that point no amounts are reflected in the financial statements of the Company.

Foreign currencies - All foreign currency transactions have been converted into sterling at the mid-market rate prevailing on the date that the transaction is booked. Assets and liabilities in foreign currencies are translated into sterling at rates of exchange ruling on the balance sheet date. Exchange profits and losses, which arise from normal trading activities, are included in the profit and loss account.

Investments - Investments are held at cost unless the directors consider there has been a permanent diminution in value, in which case such investments will be held at attributable net asset value.

2. Cash flow statement and related party disclosures

As permitted by FRS1 (revised 1996) the Company's cash flow statement has not been included as it is a wholly-owned subsidiary of Fleming Family & Partners Limited and its cash flow appears as part of the Group consolidated cash flow in the Group's accounts.

The Company has taken advantage of the provisions of FRS8, which exempts it from disclosing related party transactions where the related party is part of the Fleming Family & Partners Group or is an investor in the Group.

3. Operating profit

The company has no employees (2007: none). Salary costs are not borne directly by the Company but are charged to the Company by FFP Services Limited, a fellow subsidiary within the Fleming Family & Partners Limited Group. FFP Services charges the Company for staff costs and central services. This includes audit costs in respect of the Company. Total charges for the year amounted to £1.2 million (2007: £1.4 million).

4. Directors' emoluments

FFP Services Limited pays salaries to and makes pension contributions on behalf of directors of the Company. No directors' fees for services of directors of the Company are paid by this Company.

	2008 £'000	2007 £'000
Aggregate emoluments and benefits under Long Term Incentive Plan	898	749
Company contributions to defined contribution pension scheme	40	35
	938	784

Highest paid director

Aggregate emoluments and benefits under Long Term Incentive Plan	505	300
Company contributions to defined contribution pension scheme	11	6
	516	306

Retirement benefits are accruing to 5 (2007: 4) directors under a defined contribution pension scheme.

5. Tax on profit on ordinary activities

	2008 £'000	2007 £'000
Current tax:		
UK corporation tax on profits of the year	1,256	170
Total current tax	1,256	170

The tax assessed for the period is higher than (2007: the same as) the standard rate of corporation tax in the UK (30%). The differences are explained below.

	2008 £'000	2007 £'000
Profit on ordinary activities before tax	3,021	566
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2007: 30%)	906	170
Effects of:		
Payable for group relief at 100%	277	-
Disallowable expenses	1	-
Disallowable recharge of LTIP	72	-
Current tax charge for the year	1,256	170

6. Dividends

	2008 £'000	2007 £'000
Interim paid in respect of 2008 47 17p per £1 share	1,250	-
	1,250	-

7. Debtors

	2008 £'000	2007 £'000
Trade debtors	1,526	1,530
Amounts owed by group undertakings	-	958
Other debtors	1,509	11
Prepayments and accrued income	5,572	650
	8,607	3,149

Amounts owed by group undertakings, being inter-company loans, are unsecured, interest free and have no fixed dates of repayment

8. Current asset investment

	2008 £'000	2007 £'000
Unlisted equity securities	900	900

The investment is valued at the directors' valuation using private placing price at the time the shares were acquired

9. Creditors – amounts falling due within one year

	2008 £'000	2007 £'000
Trade creditors	25	-
Amounts owed to group undertakings	3,050	278
Corporation tax	72	82
Accruals and deferred income	2,882	664
	6,029	1,024

Amounts owed to group undertakings, being inter-company loans, are unsecured, interest free and have no fixed dates of repayment

10. Called up share capital

	2008 £'000	2007 £'000
Authorised		
3,000,000 ordinary shares of £1 each	3,000	3,000
	3,000	3,000
Allotted and fully paid		
2,650,000 ordinary shares of £1 each	2,650	2,650
	2,650	2,650

11 Profit and loss account

	2008 £'000
At 1 April 2007	431
Profit for the financial year	1,765
Less dividends	(1,250)
At 31 March	946

12. Reconciliation of movement in shareholder's funds

	2008 £'000	2007 £'000
Profit for the year	1,765	396
Dividends	(1,250)	-
Net change in shareholder's funds	515	396
Opening shareholder's funds – equity interests	3,081	2,685
Closing shareholder's funds – equity interests	3,596	3,081

13. Contingencies

The Company had no contingent liabilities at 31 March 2008 (2007 none). The Company receives certain non-cash remuneration for advisory services in the form of investments, typically shares and other securities. In such instances, revenue is recognised when the instrument is realised in cash. In the opinion of the directors, the uncertainty over the value of such income is such that this income is only recognised when realised in cash and until that point no amounts are reflected in the financial statements of the Company.

14 Other related party transactions

Highland African Mining Company Limited/Highland African Ventures Limited – The Company has provided services to, or been reimbursed expenses incurred on behalf of, these companies whose shareholders include discretionary trusts, of which a Group director is a beneficiary.

Lochside (International) Limited – The Company has provided services to this company, of which a Group director is a director.

Abacus Investments Limited – The Company has provided advisory services to this company, of which a former director is a director. Such advisory services were on an arms length commercial basis.

	2008			2007		
	Amounts payable by the Company in the year	Amounts receivable by the Company in the year	Balance due to Company at 31 March	Amounts payable by the Company in the year	Amounts receivable by the Company in the year	Balance due to Company at 31 March
	£'000	£'000	£'000	£'000	£'000	£'000
Highland Africa Mining Company Limited	-	-	-	-	248	-
Highland African Ventures Limited	-	130	1,653	-	1,523	1,523
Abacus Investments Limited	-	83	-	-	80	5
	-	213	1,653	-	1,851	1,528

15. Ultimate parent undertaking

The immediate and ultimate parent undertaking and controlling party is Fleming Family & Partners Limited, a company incorporated in England (registered number 4006741) Copies of the Group's consolidated financial statements can be obtained from the Company Secretary at 37 Dover Street, London W1S 4NJ