

Company Registration No. 04223247 (England and Wales)

CHATHAM FINANCIAL EUROPE, LTD
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

SATURDAY



A26OBOA0

A39

20/04/2013

#38

COMPANIES HOUSE

CHATHAM FINANCIAL EUROPE, LTD

COMPANY INFORMATION

Directors	David Hall Mark Battiston
Company number	04223247
Registered office	69/85 Tabernacle Street London EC2A 4RR
Auditors	The Gallagher Partnership LLP 69/85 Tabernacle Street London EC2A 4RR
Business address	16 Garnck Street, London WC2E 9BA

CHATHAM FINANCIAL EUROPE, LTD

CONTENTS

	Page
Directors' report	1 - 3
Independent auditors' report	4 - 5
Profit and loss account	6
Balance sheet	7
Cash flow statement	8
Notes to the cash flow statement	9
Notes to the financial statements	10 - 18

CHATHAM FINANCIAL EUROPE, LTD

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2012

The directors present their report and financial statements for the year ended 31 December 2012

Principal activities and review of the business

The principal activity of the company is to advise on, arrange and assist clients in multiple facets of corporate and structured finance, including identifying interest rate and currency risks and implementing strategies to mitigate those risks. The company is authorised and regulated by the Financial Conduct Authority

The results for the year and the financial position at the year end were considered satisfactory by the directors who expect continued growth in the foreseeable future

Results and dividends

The results for the year are set out on page 6

An interim ordinary dividend was paid amounting to £1,860,004

It is proposed that the retained profits of £590,240 is transferred to reserves

Pillar III Disclosure - Scope and application of the requirements

The Company is governed by its Directors ('the Board') who determine its business strategy and risk appetite. They are also responsible for establishing and maintaining the Company's governance arrangements along with designing and implementing a risk management framework that recognises and manages the risks that the business faces. The Board meet on a regular basis and discuss profitability, cash flow, regulatory capital management, and business planning and risk management. The Board manages the Company's risks through a framework of policies and procedures having regard to relevant laws, standards, principles and rules (including FSA principles and rules) with the aim to operate a defined and transparent risk management framework.

The Board have identified that reputational, operational and credit risks are the areas of risk to which the Company may be exposed. Annually the Board formally review the risks, controls and other risk mitigation arrangements and assesses their effectiveness. Where the Board identify material risks they consider the financial impact of these risks as part of business planning and capital management and concludes whether the amount of regulatory capital is adequate. The general objective is to develop systems and controls to mitigate risk to a level that does not require the allocation of Pillar 2 capital.

The Company is authorised and regulated by the Financial Services Authority and as such it is subject to minimum regulatory capital requirements. The Company is small with a simple operational infrastructure. The Company is a BIPRU €50k limited licence firm registered with the FSA (FRN No 197251) and lodges its financial statements with Companies House.

It is the Company's experience that the capital requirement of the Company is the fixed overhead requirement and not the sum of market and credit risk. For the purpose of this calculation disclosures relating to market and credit are therefore considered to be immaterial in consideration in the assessment of the business.

As at the 31 December 2012 the Company had £2,338,000 of capital with a FOR of £954,000, and therefore the Company has substantial excess resources over its regulatory capital requirements.

CHATHAM FINANCIAL EUROPE, LTD

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2012

Description of principal risks and uncertainties

Financial risk management relates to risk to the company in respect of its own assets and liabilities. The company has very limited exposure to financial instruments in respect of its own assets and liabilities. They include cash deposits and trade receivables and payables.

The main risks arising from financial instruments are foreign currency risk, and limited exposure to interest rate risk, liquidity risk, and credit risk. Each of these risks is discussed in detail below.

Operational risk

Operational risk is defined as the risk of direct or indirect loss, or damaged reputation resulting from inadequate or failed internal processes, people and systems, or from external events including legal and compliance risks. Operational risks are inherent in all activities within the organisation, and in all interaction with external parties. The company monitors operational risk through internal controls.

Credit risk

Credit risk is the possibility of a loss occurring due to the financial failure of a client, counterparty or bank of the company to meet their contractual debt obligations. The company manages credit risk to which it is exposed through the application of credit limits which are monitored on a regular basis by Senior Management.

Interest rate risk

The company is exposed to interest rate risk with regard to holding in cash. All cash holdings are at variable rates. The company does not have any borrowings and surplus funds are placed on short term deposits.

Liquidity risk

It is the company's policy to ensure that it has sufficient access to funds to cover all forecast committed requirements for the next 12 months.

The company finances its operations through share capital and retained earnings. Surplus funds are placed on deposit with highly rated banks.

Foreign currency risk

The company holds cash balances in US dollars and Euros, earns fees in US dollars and Euros and holds non-Sterling denominated current asset investments. Foreign exchange risk is managed by ensuring non-Sterling receipts are converted to Sterling on a need basis.

The following table shows the company's currency exposures at 31 December 2012 on currency transactions that give rise to the net currency gains and losses recognised in the profit and loss account. Such exposures comprise the monetary assets and liabilities of the company that are not denominated in the functional currency of the operating company.

Net foreign currency monetary assets

US Dollars	£402,289
Euros	£1,121,808

CHATHAM FINANCIAL EUROPE, LTD

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2012

Directors

The following directors have held office since 1 January 2012

David Hall
Mark Battistoni

Auditors

In accordance with the company's articles, a resolution proposing that The Gallagher Partnership LLP be reappointed as auditors of the company will be put at a General Meeting

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 UK Accounting Standards 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.

Statement of disclosure to auditor

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board



Mark Battistoni
Director

18/04/13

CHATHAM FINANCIAL EUROPE, LTD

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF CHATHAM FINANCIAL EUROPE, LTD

We have audited the financial statements of Chatham Financial Europe, Ltd for the year ended 31 December 2012 set out on pages 6 to 18. 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 Chapter 3 of Part 16 of the Companies Act 2006. 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

As explained more fully in the Directors' Responsibilities Statement set out on pages 1 - 3, 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 and express an opinion on 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.

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. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 31 December 2012 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, 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.

CHATHAM FINANCIAL EUROPE, LTD

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF CHATHAM FINANCIAL EUROPE, LTD

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


Imtiaz Ariab (Senior Statutory Auditor)
for and on behalf of The Gallagher Partnership LLP

Chartered Accountants
Statutory Auditor

19 April 2013

69/85 Tabernacle Street
London
EC2A 4RR

CHATHAM FINANCIAL EUROPE, LTD

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2012

	Notes	2012 £	2011 £
Turnover	2	5,224,854	5,468,326
Administrative expenses		(4,428,048)	(4,227,812)
Operating profit	3	796,806	1,240,514
Other interest receivable and similar income	4	1,633	-
Profit on ordinary activities before taxation		798,439	1,240,514
Tax on profit on ordinary activities	5	(204,199)	(331,081)
Profit for the year	14	594,240	909,433

The profit and loss account has been prepared on the basis that all operations are continuing operations

There are no recognised gains and losses other than those passing through the profit and loss account

CHATHAM FINANCIAL EUROPE, LTD

BALANCE SHEET

AS AT 31 DECEMBER 2012

	Notes	2012 £	£	2011 £	£
Fixed assets					
Tangible assets	7		85,144		47,272
Current assets					
Debtors	8	1,184,765		502,991	
Cash at bank and in hand		2,010,775		3,838,791	
		<u>3,195,540</u>		<u>4,341,782</u>	
Creditors: amounts falling due within one year	9	<u>(928,395)</u>		<u>(752,893)</u>	
Net current assets			<u>2,267,145</u>		<u>3,588,889</u>
Total assets less current liabilities			<u>2,352,289</u>		<u>3,636,161</u>
Accruals and deferred income	11		<u>(21,130)</u>		<u>(39,238)</u>
			<u>2,331,159</u>		<u>3,596,923</u>
Capital and reserves					
Called up share capital	13		500,000		500,000
Profit and loss account	14		<u>1,831,159</u>		<u>3,096,923</u>
Shareholders' funds	16		<u>2,331,159</u>		<u>3,596,923</u>

Approved by the Board and authorised for issue on 18/04/13



Mark Battistoni
Director

Company Registration No. 04223247

CHATHAM FINANCIAL EUROPE, LTD

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2012

	2012	2011
	£	£
Net cash inflow from operating activities	235,216	1,416,242
Returns on investments and servicing of finance		
Interest received	1,633	-
Non equity dividends paid	(1,860,004)	-
Net cash outflow for returns on investments and servicing of finance	(1,858,371)	-
Taxation	(139,821)	(405,143)
Capital expenditure		
Payments to acquire tangible assets	(65,040)	(26,272)
Net cash outflow for capital expenditure	(65,040)	(26,272)
Net cash (outflow)/inflow before management of liquid resources and financing	(1,828,016)	984,827
(Decrease)/increase in cash in the year	(1,828,016)	984,827

CHATHAM FINANCIAL EUROPE, LTD

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2012

1 Reconciliation of operating profit to net cash outflow from operating activities		2012	2011
		£	£
Operating profit		796,806	1,240,514
Depreciation of tangible assets		27,168	24,892
(Increase)/decrease in debtors		(689,459)	218,606
Increase/(decrease) in creditors within one year		118,809	(49,662)
Movement on deferred rent provision		(18,108)	(18,108)
Net cash inflow from operating activities		235,216	1,416,242

2 Analysis of net funds	1 January 2012	Cash flow	Other non-cash changes	31 December 2012
	£	£	£	£
Net cash				
Cash at bank and in hand	3,838,791	(1,828,016)	-	2,010,775
Bank deposits	-	-	-	-
Net funds	3,838,791	(1,828,016)	-	2,010,775

3 Reconciliation of net cash flow to movement in net funds	2012	2011
	£	£
(Decrease)/increase in cash in the year	(1,828,016)	984,827
Movement in net funds in the year	(1,828,016)	984,827
Opening net funds	3,838,791	2,853,964
Closing net funds	2,010,775	3,838,791

CHATHAM FINANCIAL EUROPE, LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2012

1 Accounting policies

A summary of the principal accounting policies, all of which have been applied consistently throughout the year and the preceding year, is set out below

1.1 Accounting convention

The financial statements are prepared under the historical cost convention

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated)

1.3 Turnover

Turnover represents amounts receivable for services provided in the normal course of business. Revenue is recognised in line with accrual accounting based on fees received for services provided during the year.

1.4 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 less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings Leasehold	Over the period of the lease
Plant and machinery	over 3 years
Computer equipment	over 3 years
Fixtures, fittings & equipment	over 4 years

1.5 Leasing

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

1.6 Pensions

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

1.7 Taxation

Corporation tax payable is provided on taxable profits at the current rates.

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

1.8 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

1.9 Share-based payments

Through the ultimate parent company, Chatham Financial Corporation, the company has issued share options to certain directors and employees. These must be measured at fair value and recognised as an expense in the profit and loss account. The fair value of the options was estimated at the date of grant. The fair value will be charged as an expense in the profit and loss account over the vesting period. The charge is adjusted each year to reflect the expected and actual level of vesting.

CHATHAM FINANCIAL EUROPE, LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2012

1 Accounting policies

(Continued)

1.10 Going concern

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

3 Operating profit

	2012 £	2011 £
Operating profit is stated after charging		
Depreciation of tangible assets	27,168	24,892
Loss on foreign exchange transactions	166,182	128,646
Operating lease rentals	130,192	129,737

Auditors' remuneration

Fees payable to the company's auditor for the audit of the company's annual accounts	14,136	10,680
Taxation & other services	11,624	3,660
	25,760	14,340

4 Investment income

	2012 £	2011 £
Bank interest	1,633	-
	1,633	-

CHATHAM FINANCIAL EUROPE, LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2012

5	Taxation	2012	2011
		£	£
	Domestic current year tax		
	U K corporation tax	196,514	322,823
	Total current tax	196,514	322,823
	Deferred tax		
	Deferred tax charge/credit current year	7,685	8,258
		204,199	331,081
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	798,439	1,240,514
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 24.00% (2011 - 26.00%)	191,625	322,534
	Effects of		
	Non deductible expenses	1,099	1,336
	Depreciation add back	6,520	6,472
	Capital allowances	(13,587)	(12,869)
	Adjustment regarding pensions - deductible on a paid basis	1,384	(658)
	Share based payment adjustment	5,597	-
	Change in rate of corporation tax during the year	3,876	6,008
		4,889	289
	Current tax charge for the year	196,514	322,823
6	Dividends	2012	2011
		£	£
	Dividends on non-equity shares		
	Preference interim paid	1,860,004	-

CHATHAM FINANCIAL EUROPE, LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2012

7 Tangible fixed assets

	Land and buildings Leasehold £	Plant and machinery £	Fixtures, fittings & equipment £	Total £
Cost				
At 1 January 2012	67,044	271,740	131,322	470,106
Additions	-	65,040	-	65,040
Disposals	-	(21,145)	-	(21,145)
At 31 December 2012	67,044	315,635	131,322	514,001
Depreciation				
At 1 January 2012	61,486	235,538	125,810	422,834
On disposals	-	(21,145)	-	(21,145)
Charge for the year	1,830	23,444	1,894	27,168
At 31 December 2012	63,316	237,837	127,704	428,857
Net book value				
At 31 December 2012	3,728	77,798	3,618	85,144
At 31 December 2011	5,558	36,202	5,512	47,272

8 Debtors

	2012 £	2011 £
Trade debtors	1,076,977	363,576
Other debtors	3,676	10,106
Prepayments and accrued income	100,390	117,902
Deferred tax asset (see note 10)	3,722	11,407
	1,184,765	502,991

CHATHAM FINANCIAL EUROPE, LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2012

9	Creditors amounts falling due within one year	2012 £	2011 £
	Trade creditors	17,683	3,775
	Amounts owed to parent and fellow subsidiary undertakings	230,637	242,563
	Corporation tax	133,517	76,824
	Other taxes and social security costs	261,738	233,153
	Other creditors	37	-
	Accruals and deferred income	284,783	196,578
		<u>928,395</u>	<u>752,893</u>

10 Provisions for liabilities

The deferred tax asset (included in debtors, note 8) is made up as follows:

	2012 £
Balance at 1 January 2012	(11,407)
Profit and loss account	<u>7,685</u>
Balance at 31 December 2012	<u>(3,722)</u>

	2012 £	2011 £
Decelerated capital allowances	<u>(3,722)</u>	<u>(11,407)</u>

11 Accruals and deferred income

	Deferred rent £
Balance at 1 January 2012	39,238
Amortisation in the year	<u>(18,108)</u>
Balance at 31 December 2012	<u>21,130</u>

CHATHAM FINANCIAL EUROPE, LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2012

12 Pension and other post-retirement benefit commitments Defined contribution

	2012 £	2011 £
Contributions payable by the company for the year	103,620	47,854
Contributions payable to the fund at the year end and included in creditors	(53,620)	(47,854)

13 Share capital

	2012 £	2011 £
Allotted, called up and fully paid 500,000 Ordinary shares of £1 each	500,000	500,000

14 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 January 2012	3,096,923
Profit for the year	594,240
Dividends paid	(1,860,004)
Balance at 31 December 2012	1,831,159

CHATHAM FINANCIAL EUROPE, LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2012

15 Share-based payment transactions

The annual bonus award is a combination of cash and equity awards in the parent company in accordance with the group's bonus policy. Chatham Financial Europe (CFE) does not issue its equity to employees for compensation, but employees of CFE are eligible for equity based compensation from the parent company. The non-vested shares are amortised and allocated to CFE as they vest, and the related compensation is expensed as the shares are earned and paid out to the CFE employees.

Further details of the share based payments are as follows:

Restricted share awards

	Number of shares 2012	Weighted average price 2012 \$	Number of shares 2011	Weighted average price 2011 \$
At beginning of the year	-	-	-	-
Granted	14,280	20.63	-	-
Exercised	(3,984)	21.44	-	-
Outstanding at end of the year	10,296	20.95	-	-

The vesting schedules vary among the grants, generally vesting over a period of 1 - 3 years.

The vesting conditions provide that the employees complete the required years of service as stipulated in the particular grant.

Share option awards

	Number of options 2012	Weighted average price 2012 \$	Number of options 2011	Weighted average price 2011 \$
At beginning of the year	19,268	2.82	19,268	2.82
Granted	-	-	-	-
Exercised	-	-	-	-
Outstanding at end of the year	19,268	2.82	19,268	2.82

All options are issued at the stock price effective at the time of grant.

At 31 December 2012 the weighted average exercise price was \$16.93.

CHATHAM FINANCIAL EUROPE, LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2012

16 Reconciliation of movements in shareholders' funds	2012	2011
	£	£
Profit for the financial year	594,240	909,433
Dividends	(1,860,004)	-
Net (depletion in)/addition to shareholders' funds	(1,265,764)	909,433
Opening shareholders' funds	3,596,923	2,687,490
Closing shareholders' funds	2,331,159	3,596,923

17 Financial commitments

At 31 December 2012 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 December 2013

	Land and buildings	
	2012	2011
	£	£
Operating leases which expire		
Within one year	-	9,967
Between two and five years	118,400	118,400
	118,400	128,367

18 Directors' remuneration	2012	2011
	£	£
Remuneration for qualifying services	386,272	316,090
Remuneration disclosed above include the following amounts paid to the highest paid director		
Remuneration for qualifying services	386,272	316,090

CHATHAM FINANCIAL EUROPE, LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2012

19 Employees

Number of employees

The average monthly number of employees (including directors) during the year was

	2012 Number	2011 Number
Operations & marketing	12	11
Administration	2	2
	<u>14</u>	<u>13</u>

Employment costs

	2012 £	2011 £
Wages and salaries	1,731,594	1,523,009
Social security costs	227,842	194,068
Other pension costs	103,620	47,854
Share based payments	66,797	
	<u>2,063,056</u>	<u>1,764,931</u>

20 Control

The ultimate parent company is Chatham Financial Corporation, a company registered in the state of Pennsylvania, USA

21 Related party relationships and transactions

During the year the company expensed costs amounting to £752,366 (2011 - £947,455) charged by the parent company for IT and other services. At the balance sheet date the company had an amount payable to the parent company of £178,790 (2011 - £116,602)

During the year the company expensed costs amounting to £421,651 (2011 - £555,934) charged by Chatham Financial Sp Z o o, a fellow subsidiary company registered in Poland. At the balance sheet date the company had an amount payable of £51,794 (2011 - £47,649) to Chatham Financial Sp Z o o