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COMPANY REGISTRATION NUMBER ~~00171270~~

SATOR CAPITAL LIMITED
FINANCIAL STATEMENTS
31 DECEMBER 2011

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COMPANIES HOUSE

ERNST & YOUNG LLP
Chartered Accountants
Chartered Certified Accountants & Statutory Auditor
London

SATOR CAPITAL LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2011

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SATOR CAPITAL LIMITED
THE DIRECTORS' REPORT
YEAR ENDED 31 DECEMBER 2011

The directors have pleasure in presenting their report and the financial statements of Sator Capital Limited (hereinafter "SCL" or the "Company") and Sator GP Limited, together the "Group", for the year ended 31 December 2011

The Company was incorporated on 15 November 2007 under the laws of England and Wales

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of SCL is the provision of investment management services. The Company is authorised and regulated by the Financial Services Authority (the "FSA"). It operates through its registered office in London and an Italian branch with offices in Milan and Rome, acting as investment manager of the following

- Two public equity funds, Sator Public Equity Value Fund (formerly Sator Active Value Fund) and Nextam Partners Sator Euro Equity Fund (sub-fund of the UCITS-compliant Nextam Partners Sicav), launched on 1 May 2008 and 1 June 2009, respectively. The funds pursue a long-short investment strategy primarily through equity and equity-related securities listed or traded on an exchange or regulated market in Europe. As of 31 December 2011, their assets under management totalled €71.9 m (i.e., £60 m), and
- A private equity fund, Sator Private Equity Fund, "A" L.P. launched on 5 December 2008 which pursues an investment strategy focused on turnaround/restructuring opportunities primarily in Italy across sectors, with a bias on financial services. The fund held its final closing on 5 March 2010 with total commitments of €500 m (i.e., £417.7 m)

SCL owns 100% of Sator GP Limited, which acts as General Partner of Sator Private Equity Fund, "A" L.P. and is consolidated in the Company's accounts

Overall, the business performed well in 2011, having been a year of two halves with the 2H financial market conditions presenting a testing environment with high levels of volatility which challenged double digit positive results achieved during the 1H of 2011 by the public equity funds

- Fund Performance as discussed below, the public equity funds outperformed the relevant indexes and were able to protect capital. The private equity fund made two investments at the end of 2011
- Turnover fee income was £9,989,228 in 2011 (2010 £12,383,657), representing a 19% decrease to last year. As outlined in the key performance indicators section below, the decrease in fee income was primarily due to a lower performance of the public equity funds (the 2011 results was marginally negative but lower than 2010). The private equity fund closing on 5 March 2010, represents the largest share of the assets under management by the Company generates a sturdy stream of investment management fees
- Costs total costs amounted to £8,702,283 in 2011 (2010 £8,486,435), representing an increase of 3% to last year

SATOR CAPITAL LIMITED
THE DIRECTORS' REPORT *(continued)*
YEAR ENDED 31 DECEMBER 2011

As a result, the Company achieved a profit before taxes of £2,262,008, and a profit after taxes of £1,573,168 in 2011 (2010 profit before taxes £4,475,999 - profit after taxes £3,247,323)

As of 31 December 2011, SCL's total assets amounted to £13,686,811 (-2.4% vs £15,365,703 in 2010), with a net cash position of £3,527,557 (+770.2% vs £8,690,061 in 2010) and a shareholders' equity of £7,671,385 (+13.2% vs £9,186,181 in 2010). On a company only basis the shareholders' equity remains well above the minimum capital adequacy requirement as required by the regulators.

At year-end, SCL had 9 employees in the UK and 3 employees in the Italian branch. During the year 2011, 2 employees joined the Company and at the end of September 2011 a member of the public equity funds team resigned. At the year-end, the Italian branch had 3 employees, with 2 employees joining during the year.

DIRECTORS

The directors who served the company during the year were as follows:

Mr Di Filippo Paolo
Mr Frontini Mario
Mr Bastianini Guido
Mr Candeli Fabio (Appointed 30 June 2011)

BRANCHES OUTSIDE THE UNITED KINGDOM

The Company operates a branch in Italy with offices in Milan and Rome.

KEY PERFORMANCE INDICATORS

The Company had total assets under management of €571.9 m (i.e., £477.7 m) at the end of 2011 (-3% in Euro terms vs 2010). The decrease was primarily due to redemptions received from investors in the public equity funds.

The performance of the hedge funds was marginally negative in 2011. Sator Public Equity Value Fund was down -0.12% (2010 +7.7%) in the year (vs -8.6% for the Stoxx Europe Index) and up 25.3% since inception (vs -15.3% for the Stoxx Europe Index). Nextam Partners Sator Euro Equity Fund was down -4.9% (2010 +8.3%) in the year and up 23% since inception (vs +22.2% for the Stoxx Europe Index over the same period).

The private equity fund started its investment activity in 2009 and at the end of 2011, it made two investments with approximately €109.7 m (i.e., £91.7 m) committed.

SATOR CAPITAL LIMITED
THE DIRECTORS' REPORT *(continued)*
YEAR ENDED 31 DECEMBER 2011

FUTURE DEVELOPMENTS

The private equity fund total commitments of €500 m provides the fund with the appropriate critical mass to pursue its investment strategy and consequent to its final closing in March 2010, the investment period began with the senior management and investment committee members focusing on the existing investments in the portfolio and a more significant degree on sourcing of new opportunities during the allotted investment period of the fund

Also during the 2011, the Company appointed Mr Fabio Candeli as Director of the Company and has been since inception of the private equity fund, a key executive and member of the Private Equity Investment Committee along with the employment of two additional investment staff to further enhance and strengthen the resources available to the Company

RESULTS

The results for the financial period are shown in the profit and loss account on page 8 The Group's result of the period was a net profit of £1,573,168 (2010 £3,247,323)

POST BALANCE SHEET EVENT

The directors have recommended a year-end dividend of £0.625 per share, equivalent to a total year-end dividend of £2,500,000

PRINCIPAL RISKS AND UNCERTAINTIES

Senior management determine the Company's business strategy and risk appetite and constantly monitor the potential risks and how to mitigate them. These are managed through a framework of policy 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. These policies and procedures are updated as required.

The directors have identified that business, operational, market and credit risks are the main areas of risk to which the Company is exposed. The identified risks are generally inherent to any alternative asset management company.

More specifically, as for the public equity funds, these risks are the fund closure due to negative performance, large redemptions or difficult market conditions. As for the private equity fund, there is not a specific risk related to the possible closure of the fund as investors are contractually locked-in for a period of up to ten years. Risks relate more to the fund's activity, such as negative performance of some investments, inability to refinance an investment due to the difficult market conditions or inability of large investors to meet their commitments.

SATOR CAPITAL LIMITED
THE DIRECTORS' REPORT *(continued)*
YEAR ENDED 31 DECEMBER 2011

Credit risk is considered not material due to the Company's exposure primarily towards affiliated companies. Foreign exchange risk is monitored as large part of the assets and assets under management are denominated in Euro. The economic impact of this risk is mitigated by the fact that the Company's activity is split between the Sterling-based London office and the Euro-denominated Italian branch.

GOING CONCERN

The Group and the Company's business activities, together with the factors likely to affect their future development, performance and position are set out above. The financial and liquidity position of the Group and Company are reflected on the balance sheet. The Group and the Company have sufficient financial resources and ongoing investment management contracts. As a consequence, the directors believe that the Group and the Company are well placed to manage their business risks successfully and have a reasonable expectation that the Group and the Company have adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

PILLAR 3

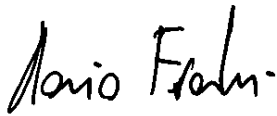
The Capital Requirements Directive (the "Directive") of the European Union establishes a revised regulatory capital framework across Europe. In the United Kingdom, the Directive has been implemented by the FSA. This framework consists of three 'Pillars', of which Pillar 3 requires disclosure of specified information about the underlying risk management controls and capital position of the Company. FSA rules in BIPRU 11 set out the provision for Pillar 3 disclosure. In accordance with these rules, SCL's updated disclosure is available at the following link <http://www.pillar3.eu/SCP0900413>

SATOR CAPITAL LIMITED
THE DIRECTORS' REPORT *(continued)*
YEAR ENDED 31 DECEMBER 2011

AUDITOR

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information

Signed on behalf of the directors



Mario Frontini
Director

Approved by the directors on 24 April 2012

SATOR CAPITAL LIMITED
STATEMENT OF DIRECTORS' RESPONSIBILITIES
YEAR ENDED 31 DECEMBER 2011

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 the group and of the profit or loss of the group 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,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group 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 group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the directors are aware

- there is no relevant audit information of which the group's auditor is unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

SATOR CAPITAL LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
SATOR CAPITAL LIMITED
YEAR ENDED 31 DECEMBER 2011

We have audited the financial statements of Sator Capital Limited for the year ended 31 December 2011 which comprise the Group Profit and Loss Account, the Group Statement of Total Recognised Gains and Losses, the Group and Company Balance Sheets, and the related notes 1 to 23. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 auditor's 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 AUDITOR

As explained more fully in the Directors' Responsibilities Statement set out on page 6, 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 Consolidated and 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 annual 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 Group and of the Company's affairs as at 31 December 2011 and of the Group 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.

SATOR CAPITAL LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
SATOR CAPITAL LIMITED *(continued)*

YEAR ENDED 31 DECEMBER 2011

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 by the Company, or returns adequate for our audit have not been received from branches not visited by us, or
- The Company 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

Ernst & Young LLP

Ashley Coups (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London

25 April 2012

SATOR CAPITAL LIMITED
GROUP PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 DECEMBER 2011

	Note	2011 £	2010 £
GROUP TURNOVER	2	9,989,228	12,383,657
Administrative expenses		8,702,283	8,486,435
Other operating income	3	(911,227)	(527,334)
OPERATING PROFIT	4	2,198,172	4,424,556
Interest receivable and similar income		66,008	51,453
Interest payable and similar charges	7	(2,172)	(10)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		2,262,008	4,475,999
Tax on profit on ordinary activities	8	688,840	1,228,676
PROFIT FOR THE FINANCIAL YEAR	9	1,573,168	3,247,323

All of the activities of the group are classed as continuing

The company has taken advantage of section 408 of the Companies Act 2006
not to publish its own Profit and Loss Account

The notes on pages 13 to 23 form part of these financial statements

SATOR CAPITAL LIMITED
GROUP STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
YEAR ENDED 31 DECEMBER 2011

	2011 £	2010 £
Profit for the financial year attributable to the shareholders of the parent company	1,573,168	3,247,323
Total recognised gains and losses relating to the year	<u>1,573,168</u>	<u>3,247,323</u>
Dividends paid out of prior year profits	3,000,000	2,000,000
Total gains and losses recognised since the last annual report	<u>4,573,168</u>	<u>5,247,323</u>

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

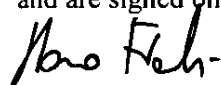
	2011 £	2010 £
Profit for the financial year	1,573,168	3,247,323
Equity dividends	(3,000,000)	(2,000,000)
Foreign currency retranslation	(87,964)	(174,349)
Net (reduction)/addition to shareholders' funds	<u>(1,514,796)</u>	<u>1,072,974</u>
Opening shareholders' funds	9,186,181	8,113,207
Closing shareholders' funds	<u>7,671,385</u>	<u>9,186,181</u>

The notes on pages 13 to 23 form part of these financial statements

SATOR CAPITAL LIMITED
GROUP BALANCE SHEET
31 DECEMBER 2011

	Note	2011 £	2010 £
FIXED ASSETS			
Intangible assets	11	13,500	24,300
Tangible assets	12	104,486	119,051
Investments	13	23,927	19,909
		<u>141,913</u>	<u>163,260</u>
CURRENT ASSETS			
Debtors	14	10,017,341	6,512,382
Cash at bank and in hand		3,527,557	8,690,061
		<u>13,544,898</u>	<u>15,202,443</u>
CREDITORS: Amounts falling due within one year	16	6,015,426	6,179,522
NET CURRENT ASSETS		<u>7,529,472</u>	<u>9,022,921</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>7,671,385</u>	<u>9,186,181</u>
CAPITAL AND RESERVES			
Called-up equity share capital	19	4,000,000	4,000,000
Profit and loss account	20	3,671,385	5,186,181
SHAREHOLDERS' FUNDS		<u>7,671,385</u>	<u>9,186,181</u>

These financial statements were approved by the directors and authorised for issue on ²⁴ April 2012, and are signed on their behalf by



Mario Frontini
Director

The notes on pages 13 to 23 form part of these financial statements

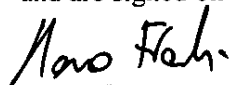
SATOR CAPITAL LIMITED

BALANCE SHEET

31 DECEMBER 2011

	Note	2011 £	2010 £
FIXED ASSETS			
Intangible assets	11	13,500	24,300
Tangible assets	12	104,486	119,051
Investments	13	1	1
		<u>117,987</u>	<u>143,352</u>
CURRENT ASSETS			
Debtors	14	10,023,170	6,512,382
Cash at bank and in hand		3,482,567	8,670,186
		<u>13,505,737</u>	<u>15,182,568</u>
CREDITORS: Amounts falling due within one year	16	<u>6,007,624</u>	<u>6,171,731</u>
NET CURRENT ASSETS		<u>7,498,113</u>	<u>9,010,837</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>7,616,100</u>	<u>9,154,189</u>
CAPITAL AND RESERVES			
Called-up equity share capital	19	4,000,000	4,000,000
Profit and loss account	20	3,616,100	5,154,189
SHAREHOLDERS' FUNDS		<u>7,616,100</u>	<u>9,154,189</u>

These financial statements were approved by the directors and authorised for issue on 24 April 2012, and are signed on their behalf by



Mario Frontini
Director

Company Registration Number 06171278

The notes on pages 13 to 23 form part of these financial statements

SATOR CAPITAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2011

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and all group undertakings. These are adjusted, where appropriate, to conform to group accounting policies. Acquisitions are accounted for under the acquisition method and goodwill on consolidation is capitalised and written off over five years from the year of acquisition. The results of companies acquired or disposed of are included in the profit and loss account after or up to the date that control passes respectively. As a consolidated profit and loss account is published, a separate profit and loss account for the parent company is omitted from the group financial statements by virtue of section 408 of the Companies Act 2006.

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a group cash flow statement in the financial statements on the grounds that the company is small.

Related parties transactions

The company is a wholly owned subsidiary of Sator S p A, the consolidated accounts of which are publicly available. Accordingly, the company has taken advantage of the exemption in FRS 8 from disclosing transactions with members or investees of the Sator S p A group.

Turnover

The turnover represents fees receivable for investment management services provided during the period. Fees are recognised when the company obtains the right for considerations in exchange for its performance of services. Turnover is measured at the fair value of considerations received excluding VAT.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Licences - 20% straight line

Fixed assets

All fixed assets are initially recorded at cost.

SATOR CAPITAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2011

1. ACCOUNTING POLICIES *(continued)*

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows

Leasehold Property	- 6 years straight line
Fixtures & Fittings	- straight line over 8 years
Equipment	- 20% straight line

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold

Deferred tax assets are recognised only to the extent that the directors consider that it is 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 is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

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 the transaction. Exchange differences are taken into account in arriving at the operating profit

Other income

Other income is in respect of the costs incurred that are recoverable from Sator Private Equity Fund, "A" L P in accordance with the limited partnership agreement and in respect of other service fee income

SATOR CAPITAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2011

1. ACCOUNTING POLICIES *(continued)*

Expenses

Expenses are recognised on accrual basis

Marketing fees

Marketing fees in respect of the Sator Private Equity Fund, "A" L P are amortised over the life of the fund, 7 years

2. TURNOVER

The turnover and profit before tax are attributable to the one principal activity of the group
An analysis of turnover is given below

	2011 £	2010 £
United Kingdom	<u>9,989,228</u>	<u>12,383,657</u>

3. OTHER OPERATING INCOME

	2011 £	2010 £
Other operating income	<u>911,227</u>	<u>527,334</u>

4. OPERATING PROFIT

Operating profit is stated after charging/(crediting)

	2011 £	2010 £
Amortisation of intangible assets	10,800	10,800
Depreciation of owned fixed assets	33,910	29,699
Auditor's remuneration		
- as auditor	28,800	24,800
Net loss/(profit) on foreign currency translation	<u>132,440</u>	<u>(216,153)</u>

SATOR CAPITAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2011

5. PARTICULARS OF EMPLOYEES

The average number of staff employed by the group during the financial year amounted to

	2011	2010
	No	No
Administrative and management staff	<u>12</u>	<u>9</u>

The aggregate payroll costs of the above were

	2011	2010
	£	£
Wages and salaries	1,032,828	2,081,232
Social security costs	<u>176,871</u>	<u>362,348</u>
	<u>1,209,699</u>	<u>2,443,580</u>

6. DIRECTORS' REMUNERATION

The directors' aggregate remuneration in respect of qualifying services were

	2011	2010
	£	£
Aggregate remuneration	<u>344,007</u>	<u>580,000</u>

Remuneration of highest paid director:

	2011	2010
	£	£
Total remuneration (excluding pension contributions)	<u>344,007</u>	<u>445,000</u>

7. INTEREST PAYABLE AND SIMILAR CHARGES

	2011	2010
	£	£
Interest payable on bank borrowing	<u>2,172</u>	<u>10</u>

SATOR CAPITAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2011

8. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2011 £	2010 £
Current tax		
UK Taxation		
In respect of the year		
UK Corporation tax based on the results for the year at 26% (2010 - 28%)	575,688	1,361,432
Other adjustments - tax prior year	-	(31,764)
	575,688	1,329,668
Double taxation relief	(195,060)	(239,996)
	380,628	1,089,672
Foreign tax		
Current tax on income for the year	263,919	284,039
Total current tax	644,547	1,373,711
Deferred tax		
Origination and reversal of timing differences	44,293	(145,035)
Tax on profit on ordinary activities	688,840	1,228,676

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 26% (2010 - 28%)

	2011 £	2010 £
Profit on ordinary activities before taxation	2,262,008	4,475,999
Profit on ordinary activities by rate of tax	586,375	1,253,280
Expenses not deductible for tax purposes	7,250	923
Capital allowances for period in excess of depreciation	1,355	(3,363)
Utilisation of tax losses	(66)	(1,751)
Unrelieved tax losses	-	63
Tax chargeable at different rates	10,608	-
Adjustments to tax charge in respect of previous periods	71	(31,764)
Deductible on paid basis	(29,904)	112,280
Sundry tax adjusting items	(1)	-
Unrelieved foreign tax	68,859	44,043
Total current tax (note 8(a))	644,547	1,373,711

SATOR CAPITAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2011

9. PROFIT ATTRIBUTABLE TO MEMBERS OF THE PARENT COMPANY

The profit dealt with in the financial statements of the parent company was £1,549,875 (2010 - £3,241,294)

10. DIVIDENDS

Equity dividends

	2011 £	2010 £
Paid during the year		
Dividends on equity	<u>3,000,000</u>	<u>2,000,000</u>
Proposed after the year-end (not recognised as a liability)		
Dividends on equity	<u>2,500,000</u>	<u>3,000,000</u>

On 9th May 2011 the company paid the dividend of £3,000,000

The directors have recommended a year-end dividend of £0.625 per share, equivalent to a total year-end dividend of £2,500,000

11. INTANGIBLE FIXED ASSETS

Group and company	Intangible 2 £
COST	
At 1 January 2011 and 31 December 2011	<u>54,000</u>
AMORTISATION	
At 1 January 2011	<u>29,700</u>
Charge for the year	<u>10,800</u>
At 31 December 2011	<u>40,500</u>
NET BOOK VALUE	
At 31 December 2011	<u>13,500</u>
At 31 December 2010	<u>24,300</u>

SATOR CAPITAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2011

12. TANGIBLE FIXED ASSETS

Group	Leasehold Property £	Fixtures & Fittings £	Equipment £	Total £
COST				
At 1 January 2011	83,590	53,986	58,734	196,310
Additions	–	2,133	17,558	19,691
Disposals	–	–	(415)	(415)
At 31 December 2011	83,590	56,119	75,877	215,586
DEPRECIATION				
At 1 January 2011	39,298	15,407	22,554	77,259
Charge for the year	13,933	6,926	13,051	33,910
On disposals	–	–	(69)	(69)
At 31 December 2011	53,231	22,333	35,536	111,100
NET BOOK VALUE				
At 31 December 2011	30,359	33,786	40,341	104,486
At 31 December 2010	44,292	38,579	36,180	119,051
Company	Leasehold Property £	Fixtures & Fittings £	Equipment £	Total £
COST				
At 1 January 2011	83,590	53,986	58,734	196,310
Additions	–	2,133	17,558	19,691
Disposals	–	–	(415)	(415)
At 31 December 2011	83,590	56,119	75,877	215,586
DEPRECIATION				
At 1 January 2011	39,298	15,407	22,554	77,259
Charge for the year	13,933	6,926	13,051	33,910
On disposals	–	–	(69)	(69)
At 31 December 2011	53,231	22,333	35,536	111,100
NET BOOK VALUE				
At 31 December 2011	30,359	33,786	40,341	104,486
At 31 December 2010	44,292	38,579	36,180	119,051

SATOR CAPITAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2011

13. INVESTMENTS

Group	Associated undertakings
	£
COST	
At 1 January 2011	19,909
Additions	4,018
At 31 December 2011	<u>23,927</u>
NET BOOK VALUE	
At 31 December 2011	<u>23,927</u>
At 31 December 2010	<u>19,909</u>
 Company	 £
COST	
At 1 January 2011 and 31 December 2011	<u>1</u>
NET BOOK VALUE	
At 31 December 2011 and 31 December 2010	<u>1</u>

The investment represents the entire share capital of Sator GP Limited whose principal activity is that of General Partner of Sator Private Equity Fund, "A" L P

14. DEBTORS

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Trade debtors	261,870	1,517,825	261,870	1,517,825
Corporation tax repayable	180,092	–	185,921	–
VAT recoverable	10,218	7,740	10,218	7,740
Other debtors - Loan to related parties	5,037,779	–	5,037,779	–
Other debtors - Italian Tax Authorities	38,813	–	38,813	–
Other debtors	224,176	500,485	224,176	500,485
Deferred taxation (Note 15)	100,742	145,035	100,742	145,035
Prepayments and accrued income	4,163,651	4,341,297	4,163,651	4,341,297
	<u>10,017,341</u>	<u>6,512,382</u>	<u>10,023,170</u>	<u>6,512,382</u>

On 3 October 2011, the Company entered a Bridge Loan Agreement with a related party, Arepo BP S p A , in order to provide short term funding of €4 million On 16 December 2011 an additional €2 million was provided for the same purpose The €6 million was repaid on 31 March 2012

SATOR CAPITAL LIMITED
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YEAR ENDED 31 DECEMBER 2011

15. DEFERRED TAXATION

The movement in the deferred taxation asset during the year was

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Asset brought forward	145,035	-	145,035	-
(Decrease)/Increase in asset	(44,293)	145,035	(44,293)	145,035
Asset carried forward	<u>100,742</u>	<u>145,035</u>	<u>100,742</u>	<u>145,035</u>

The group's asset for deferred taxation consists of the tax effect of timing differences in respect of

Group	2011		2010	
	Provided	Unprovided	Provided	Unprovided
	£	£	£	£
Other timing differences	<u>100,742</u>	-	<u>145,035</u>	-

The company's asset for deferred taxation consists of the tax effect of timing differences in respect of

Company	2011		2010	
	Provided	Unprovided	Provided	Unprovided
	£	£	£	£
Other timing differences	<u>100,742</u>	-	<u>145,035</u>	-

16. CREDITORS: Amounts falling due within one year

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Overdrafts	35	-	35	-
Trade creditors	20,625	8,011	20,625	8,011
Other creditors including taxation and social security				
Corporation tax	-	661,437	-	661,437
Other taxation and social security	40,895	43,262	40,895	43,262
Other creditors	34,931	18,057	34,869	17,995
Accruals and deferred income	5,918,940	5,448,755	5,911,200	5,441,026
	<u>6,015,426</u>	<u>6,179,522</u>	<u>6,007,624</u>	<u>6,171,731</u>

SATOR CAPITAL LIMITED
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YEAR ENDED 31 DECEMBER 2011

17. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2011 the group had annual commitments under non-cancellable operating leases as set out below

Group	Land and buildings	
	2011	2010
	£	£
Operating leases which expire		
After more than 5 years	<u>117,180</u>	<u>117,180</u>

At 31 December 2011 the company had annual commitments under non-cancellable operating leases as set out below

Company	Land and buildings	
	2011	2010
	£	£
Operating leases which expire		
After more than 5 years	<u>117,180</u>	<u>117,180</u>

18. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption in Financial Reporting Standard Number 8 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company

19. SHARE CAPITAL

Authorised share capital:

	2011	2010
	£	£
10,000,000 Ordinary shares of £1 each	<u>10,000,000</u>	<u>10,000,000</u>

Allotted, called up and fully paid:

	2011		2010	
	No	£	No	£
4,000,000 Ordinary shares of £1 each	<u>4,000,000</u>	<u>4,000,000</u>	<u>4,000,000</u>	<u>4,000,000</u>

SATOR CAPITAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2011

20. RESERVES

Group	Profit and loss account £
Balance brought forward as at 1 January 2011	5,186,181
Profit for the year	1,573,168
Equity dividends	(3,000,000)
Foreign currency retranslation	(87,964)
Balance carried forward as at 31 December 2011	<u>3,671,385</u>
Company	Profit and loss account £
Balance brought forward as at 1 January 2011	5,154,189
Profit for the year	1,549,875
Equity dividends	(3,000,000)
Foreign currency retranslation	(87,964)
Balance carried forward as at 31 December 2011	<u>3,616,100</u>

21. CAPITAL COMMITMENTS

The Company had no capital commitments at year-end

22. POST BALANCE SHEET EVENTS

The directors have recommended a year-end dividend of £0.625 per share, equivalent to a total year-end dividend of £2,500,000

23. ULTIMATE CONTROLLING PARTY

The Company's ultimate and immediate parent undertaking is Sator S.p.A., a company incorporated in Italy. The financial statements of this company are available to the public and may be obtained at this company's registered office: Via Giacomo Carissimi 41, 00198 Rome (Italy).

The Company's ultimate controlling party is Mr. Matteo Arpe.