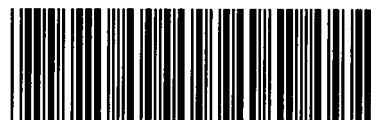


SATOR CAPITAL LIMITED
FINANCIAL STATEMENTS
31 DECEMBER 2013

ERNST & YOUNG LLP

Chartered Accountants
Chartered Certified Accountants & Statutory Auditor
1 More London Place
London
SE1 2AF

WEDNESDAY



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SATOR CAPITAL LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2013

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SATOR CAPITAL LIMITED

STRATEGIC REPORT

YEAR ENDED 31 DECEMBER 2013

The directors have pleasure in presenting their strategic report of Sator Capital Limited (hereinafter "SCL" or the "Company") and Sator GP Limited, together the "Group", for the year ended 31 December 2013.

Overall, the business performed well in 2013 with both business areas contribution positively from the positive performance of the Public Equity Funds and a dynamic year for the Private Equity Fund, with the following achievements:

- Sator Public Equity Value Fund (formerly Sator Active Value Fund), launched on 1 May 2008, the fund pursues 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 2013, the assets under management totalled €31.6 m (i.e., £26.4 m). The performance was positive in 2013 up 2.88% (2012: +38.7%%) in the year (vs. +20.8% the Euro Stoxx 600 TR index (including dividends)) and up 78.7% since inception (vs. +20.9% for the Euro Stoxx 600 TR index (including dividends));
- Nextam Partners Sator Equity Value Fund (sub-fund of the UCITS-compliant Nextam Partners Sicav), launched on 1 June 2009 and effectively terminated during the year on 22 November 2013 by way of a merger with another of Nextam Partners sub-fund (Nextam Partners - Nextam Blnver International Sub-Fund). The performance was positive up 5.75% (2011: +23.3%) in the year closing its activities on 21 November 2013 (vs. +18.5% the Euro STOXX 600 TR index (including dividends)) and up 60.3% since inception (vs. +71.1% for the Euro STOXX 600 TR index (including dividends) over the same period); and
- Sator Private Equity Fund, "A" L.P., a private equity fund 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., £417.5 m). The private equity fund has eight investments in total with four investments successfully completed in 2013. As of 31 December 2013, total net drawn down commitment was approximately €328.7 m (i.e. £274.4 m) (2012: €172.4 m).

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 £1,571,981 (2012: £2,710,055).

Turnover: fee income was £9,316,674 in 2013 (2012: £12,487,475), representing a 25% decrease to last year. As outlined in the performance indicators above, the decrease in fee income was primarily due to lower performance of the public equity funds (the 2013 results were substantially lower than 2012). 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 £7,294,312 in 2013 (2012: £9,713,538), representing an decrease of 25% to last year.

As of 31 December 2013, SCL's total assets amounted to £11,888,078 (-17% vs. £14,313,854 in 2012), with a net cash position of £5,144,099 (+126% vs. £2,280,124 in 2012) and a shareholders' equity of £6,947,190 (-11% vs. £7,779,026 in 2012). The latter remains well above the minimum capital adequacy requirement as required by the regulators.

The Company had total assets under management of €531.6 m (i.e., £443.9 m) at the end of 2013 (-3% in Euro terms vs. €548.7 m 2012). The decrease was primarily due to redemptions received from investors in the public equity funds.

SATOR CAPITAL LIMITED
STRATEGIC REPORT *(continued)*
YEAR ENDED 31 DECEMBER 2013

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.

PRINCIPAL RISKS AND UNCERTAINTIES

Senior management determine the Group and 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 FCA 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 Group and Company is exposed. The identified risks are generally inherent to any alternative asset management company.

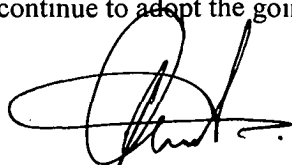
More specifically, as for the public equity funds, these risks are the fund closure due to negative performance, large redemptions or difficult market conditions. As for the private equity fund, there is not a specific risk related to the possible closure of the fund as investors are contractually locked-in 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.

Credit risk is considered not material due to the Group and 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 Group and 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.



Signed on behalf of the directors
Rishi Ramanah
Director

Approved by the directors on 30 MAY 2014

SATOR CAPITAL LIMITED
DIRECTORS' REPORT
YEAR ENDED 31 DECEMBER 2013

The directors present their report and the financial statements of the group for the year ended 31 December 2013.

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 2013. 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.

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

PRINCIPAL ACTIVITY

The principal activity of SCL is the provision of investment management services. The Company is authorised and regulated by the Financial Conduct Authority (the "FCA"). It operates through its registered office in London and an Italian branch with offices in Milan and Rome, acting as investment manager of Sator Private Equity Fund, "A" L.P. and Sator Public Equity Value Fund.

EMPLOYEES

At year-end, SCL had 6 employees in the UK and 3 employees in the Italian branch. During the year 2013, at the end of April 2013 two members of the public equity funds team resigned.

POLITICAL AND CHARITABLE CONTRIBUTIONS

During the period the company made no donations.

DIRECTORS

The directors who served the company during the period and at the date of the report were as follows:

Mr Di Filippo Paolo

Mr Bastianini Guido

Mr Candeli Fabio

Mr Rishi Ramanah

(Appointed 12 November 2013)

Mr Frontini Mario

(Resigned 8 February 2013)

BRANCHES OUTSIDE THE UNITED KINGDOM

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

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 (2012: £2,500,000).

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

DIRECTORS' REPORT *(continued)*

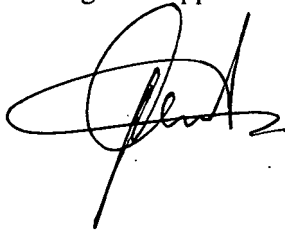
YEAR ENDED 31 DECEMBER 2013

DISCLOSURE OF INFORMATION TO AUDITORS

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the group's auditor, each director has taken all the steps that he is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

RE-APPOINTMENT OF AUDITORS

In accordance with s.485 of Companies Act 2006, a resolution is to be proposed at the Annual General Meeting for reappointment of Ernst & Young LLP as auditor of the Group and Company.



Signed on behalf of the directors

Rishi Ramanah

Director

Approved by the directors on 30 MAY 2014

SATOR CAPITAL LIMITED
STATEMENT OF DIRECTORS' RESPONSIBILITIES
YEAR ENDED 31 DECEMBER 2013

The directors are responsible for preparing the Strategic Report, 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 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 statement; and
- 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.

SATOR CAPITAL LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
SATOR CAPITAL LIMITED
YEAR ENDED 31 DECEMBER 2013

We have audited the financial statements of Sator Capital Limited for the year ended 31 December 2013 which comprise the Group Profit and Loss Account, the Group Statement of Total Recognised Gains and Losses, the Group Balance Sheet, the Company Balance Sheet and the related notes 1 to 22. 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 Directors, 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 Directors 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 Directors 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 5, 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 group's and the parent undertaking'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, Strategic Report and Financial Statements 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's and Parent undertaking's affairs as at 31 December 2013 and of its Group's 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 2013

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 parent undertaking, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent undertaking 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

Date *27 June 2014*

SATOR CAPITAL LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 DECEMBER 2013

	Note	2013 £	2012 £
GROUP TURNOVER	2	9,316,674	12,487,475
Administrative expenses		7,294,312	9,713,538
Other operating income	3	(197,058)	(759,286)
OPERATING PROFIT	4	2,219,420	3,533,223
Interest receivable		61,789	36,399
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		2,281,209	3,569,622
Tax on profit on ordinary activities	7	709,228	859,567
PROFIT FOR THE FINANCIAL YEAR	8	1,571,981	2,710,055

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 12 to 22 form part of these financial statements.

SATOR CAPITAL LIMITED
GROUP STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
YEAR ENDED 31 DECEMBER 2013

	2013 £	2012 £
Profit for the financial year attributable to the shareholders of the parent company	1,571,981	2,710,055
Unrealised profit/(loss) on revaluation of tangible fixed assets:		
Equipment	10	(16)
Total gains and losses recognised since the last annual report	<u>1,571,991</u>	<u>2,710,039</u>

The notes on pages 12 to 22 form part of these financial statements.

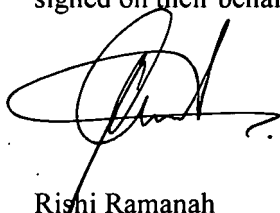
SATOR CAPITAL LIMITED

GROUP BALANCE SHEET

31 DECEMBER 2013

	Note	2013 £	2012 £
FIXED ASSETS			
Intangible assets	10	—	2,700
Tangible assets	11	40,332	71,363
Investments	12	23,927	23,927
		<u>64,259</u>	<u>97,990</u>
CURRENT ASSETS			
Debtors	13	6,679,720	11,935,740
Cash at bank and in hand		5,144,099	2,280,124
		<u>11,823,819</u>	<u>14,215,864</u>
CREDITORS: Amounts falling due within one year	15	4,940,888	6,534,828
NET CURRENT ASSETS		<u>6,882,931</u>	<u>7,681,036</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>6,947,190</u>	<u>7,779,026</u>
CAPITAL AND RESERVES			
Called-up equity share capital	18	4,000,000	4,000,000
Profit and loss account	19	2,947,190	3,779,026
SHAREHOLDERS' FUNDS	20	<u>6,947,190</u>	<u>7,779,026</u>

These accounts were approved by the directors and authorised for issue on ~~30 MAY 2014~~, and are signed on their behalf by:



Rishi Ramanah
Director

The notes on pages 12 to 22 form part of these financial statements.

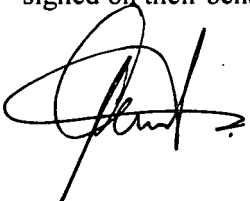
SATOR CAPITAL LIMITED

BALANCE SHEET

31 DECEMBER 2013

	Note	2013 £	2012 £
FIXED ASSETS			
Intangible assets	10	–	2,700
Tangible assets	11	40,332	71,363
Investments	12	1	1
		<u>40,333</u>	<u>74,064</u>
CURRENT ASSETS			
Debtors	13	6,679,720	11,935,740
Cash at bank and in hand		5,104,127	2,250,825
		<u>11,783,847</u>	<u>14,186,565</u>
CREDITORS: Amounts falling due within one year	15	4,931,648	6,527,026
NET CURRENT ASSETS		<u>6,852,199</u>	<u>7,659,539</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>6,892,532</u>	<u>7,733,603</u>
CAPITAL AND RESERVES			
Called-up equity share capital	18	4,000,000	4,000,000
Profit and loss account	19	2,892,532	3,733,603
SHAREHOLDERS' FUNDS		<u>6,892,532</u>	<u>7,733,603</u>

These accounts were approved by the directors and authorised for issue on 30 MAY 2014, and are signed on their behalf by:



Rishi Ramanah
Director

Company Registration Number: 06428281

The notes on pages 12 to 22 form part of these financial statements.

SATOR CAPITAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2013

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 Sator Capital Limited and its subsidiary Sator GP Limited. 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 Group is a subsidiary of Sator S.p.A. and the cash flows of this Group are included in the consolidated cash flow statement of the parent undertaking. Consequently, the Group has taken the exemption of Financial Reporting Standard 1 "Cash Flow Statements" from publishing a cash flow statement.

Related parties transactions

The Group and 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 2013

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" LP in accordance with the limited partnership agreement and in respect of other service fee income.

Expenses

Expenses are recognised on accrual basis.

SATOR CAPITAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2013

1. ACCOUNTING POLICIES *(continued)*

Marketing fees

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

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.

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:

	2013	2012
	£	£
United Kingdom	<u>9,316,674</u>	<u>12,487,475</u>

3. OTHER OPERATING INCOME

	2013	2012
	£	£
Other operating income	<u>197,058</u>	<u>759,286</u>

4. OPERATING PROFIT

Operating profit is stated after charging/(crediting):

	2013	2012
	£	£
Amortisation of intangible assets	2,700	10,800
Depreciation of owned fixed assets	31,041	36,848
Auditor's remuneration		
- as auditor	25,550	26,500
Net loss/(profit) on foreign currency translation	23,932	(179,555)
Management re-charge from Sator Capital Limited	<u>8,613,634</u>	<u>8,116,191</u>

SATOR CAPITAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2013

5. PARTICULARS OF EMPLOYEES

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

	2013	2012
	No	No
Administrative and management staff	<u>9</u>	<u>11</u>

The aggregate payroll costs of the above were:

	2013	2012
	£	£
Wages and salaries	839,340	1,935,937
Social security costs	158,110	302,081
	<u>997,450</u>	<u>2,238,018</u>

6. DIRECTORS' REMUNERATION

The directors' aggregate remuneration in respect of qualifying services were:

	2013	2012
	£	£
Aggregate remuneration	<u>122,269</u>	<u>595,066</u>

Remuneration of highest paid director:

	2013	2012
	£	£
Total remuneration (excluding pension contributions)	<u>112,269</u>	<u>595,066</u>

SATOR CAPITAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2013

7. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2013 £	2012 £
Current tax:		
UK Taxation		
In respect of the year:		
In respect of the year:		
UK Corporation tax based on the results for the year at 23% (2012 - 24%)	461,802	831,773
(Over)/under provision in prior year	14,125	-
	475,927	831,773
Double taxation relief	(186,387)	(183,786)
	289,540	647,987
Foreign tax		
Current tax on income for the year	348,400	260,989
Total current tax	637,940	908,976
Deferred tax:		
Origination and reversal of timing differences	71,288	(49,409)
Tax on profit on ordinary activities	709,228	859,567

(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 23% (2012 - 24%).

	2013 £	2012 £
Profit on ordinary activities before taxation	2,281,209	3,569,622
Profit on ordinary activities by rate of tax	524,678	859,076
Expenses not deductible for tax purposes	658	505
Capital allowances for period in excess of depreciation	5,087	7,020
Utilisation of tax losses	(2,124)	-
Tax chargeable at lower rates	4,900	16,884
Deductible on paid basis	(57,521)	(51,712)
Other adjustments – tax prior year	14,125	-
Loan relationships	(13,875)	-
Unrelieved foreign tax	162,012	77,203
Total current tax (note 7(a))	637,940	908,976

8. PROFIT ATTRIBUTABLE TO MEMBERS OF THE PARENT COMPANY

The profit dealt with in the financial statements of the parent company was £1,552,257 (2012 - £2,719,917).

SATOR CAPITAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2013

9. DIVIDENDS

Equity dividends

	2013 £	2012 £
Paid during the year:		
Dividends on equity shares	<u>2,500,000</u>	<u>2,500,000</u>
Proposed after the year-end (not recognised as liability):		
Dividends on equity shares	<u>2,500,000</u>	<u>2,500,000</u>

10. INTANGIBLE FIXED ASSETS

Group and company	Intangible Licence £
COST	
At 1 January 2013 and 31 December 2013	<u>54,000</u>
AMORTISATION	
At 1 January 2013	51,300
Charge for the year	<u>2,700</u>
At 31 December 2013	<u>54,000</u>
NET BOOK VALUE	
At 31 December 2013	—
At 31 December 2012	<u>2,700</u>

11. TANGIBLE FIXED ASSETS

Group	Leasehold Property £	Fixtures & Fittings £	Equipment £	Total £
COST OR VALUATION				
At 1 January 2013	83,590	56,119	79,598	219,307
Revaluation	—	—	17	17
At 31 December 2013	<u>83,590</u>	<u>56,119</u>	<u>79,615</u>	<u>219,324</u>
DEPRECIATION				
At 1 January 2013	67,162	29,348	51,434	147,944
Charge for the year	13,932	7,015	10,094	31,041
Revaluation adjustment	—	—	7	7
At 31 December 2013	<u>81,094</u>	<u>36,363</u>	<u>61,535</u>	<u>178,992</u>
NET BOOK VALUE				
At 31 December 2013	<u>2,496</u>	<u>19,756</u>	<u>18,080</u>	<u>40,332</u>
At 31 December 2012	<u>16,428</u>	<u>26,771</u>	<u>28,164</u>	<u>71,363</u>

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11. TANGIBLE FIXED ASSETS *(continued)*

Company	Leasehold Property £	Fixtures & Fittings £	Equipment £	Total £
COST OR VALUATION				
At 1 January 2013	83,590	56,119	79,598	219,307
Revaluation	—	—	17	17
At 31 December 2013	83,590	56,119	79,615	219,324
DEPRECIATION				
At 1 January 2013	67,162	29,348	51,434	147,944
Charge for the year	13,932	7,015	10,094	31,041
Revaluation adjustment	—	—	7	7
At 31 December 2013	81,094	36,363	61,535	178,992
NET BOOK VALUE				
At 31 December 2013	2,496	19,756	18,080	40,332
At 31 December 2012	16,428	26,771	28,164	71,363

12. INVESTMENTS

Group	Associated undertakings £
COST	
At 1 January 2013 and 31 December 2013	23,927
NET BOOK VALUE	
At 31 December 2013 and 31 December 2012	23,927
Company	£
COST	
At 1 January 2013 and 31 December 2013	1
NET BOOK VALUE	
At 31 December 2013 and 31 December 2012	1

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13. DEBTORS

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Trade debtors	399,390	3,222,445	399,390	3,222,445
VAT recoverable	10,142	8,078	10,142	8,078
Other debtors - Loan to related parties	4,190,186	5,698,324	4,190,186	5,698,324
Other debtors - Italian Tax Authorities	117,964	120,489	117,964	120,489
Other debtors	115,546	124,153	115,546	124,153
Deferred taxation (Note 14)	78,863	150,151	78,863	150,151
Prepayments and accrued income	1,767,629	2,612,100	1,767,629	2,612,100
	<u>6,679,720</u>	<u>11,935,740</u>	<u>6,679,720</u>	<u>11,935,740</u>

On 12 September 2012, the Company entered a Bridge Loan Agreement with a related party, Arepo BP S.p.A., in order to provide short term funding of €4,000,000. The interest on the loan is equal to Euribor. €2,000,000 of the loan was partially repaid on 27 February 2013.

On 10 July 2013, the Company entered an Inter-Company Loan Agreement with a related party, Sator S.p.A., in order to provide short term funding of €2,000,000. The interest on the loans is equal to Euribor plus 1.5%. The loan was repaid on 19 May 2014.

On 5 December 2013, the Company entered a Bridge Loan Agreement with a related party, Arepo BP S.p.A., in order to provide short term funding of €1,000,000. The interest on the loan is equal to Euribor plus 1.5%.

14. DEFERRED TAXATION

The movement in the deferred taxation asset during the year was:

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Asset brought forward	150,151	100,742	150,151	100,742
(Decrease)/Increase in asset	(71,288)	49,409	(71,288)	49,409
Asset carried forward	<u>78,863</u>	<u>150,151</u>	<u>78,863</u>	<u>150,151</u>

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

Group	2013		2012	
	Provided	Unprovided	Provided	Unprovided
	£	£	£	£
Other timing differences	<u>78,863</u>	<u>-</u>	<u>150,151</u>	<u>-</u>

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

Company	2013		2012	
	Provided	Unprovided	Provided	Unprovided
	£	£	£	£
Other timing differences	<u>78,863</u>	<u>-</u>	<u>150,151</u>	<u>-</u>

SATOR CAPITAL LIMITED
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15. CREDITORS: Amounts falling due within one year

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Overdrafts	35	—	35	—
Trade creditors	18,653	43,500	18,653	43,500
Other creditors including taxation and social security:				
Corporation tax	76,686	9,725	76,686	9,725
Other taxation and social security	28,496	36,684	28,496	36,684
Other creditors	63,790	45,433	63,790	45,371
Accruals and deferred income	4,753,228	6,399,486	4,743,988	6,391,746
	<u>4,940,888</u>	<u>6,534,828</u>	<u>4,931,648</u>	<u>6,527,026</u>

16. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2013 the group had annual commitments under non-cancellable operating leases as set out below.

Group	Land and buildings	
	2013	2012
	£	£
Operating leases which expire:		
After more than 5 years	<u>117,180</u>	<u>117,180</u>

At 31 December 2013 the company had annual commitments under non-cancellable operating leases as set out below.

Company	Land and buildings	
	2013	2012
	£	£
Operating leases which expire:		
After more than 5 years	<u>117,180</u>	<u>117,180</u>

17. 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.

18. SHARE CAPITAL

Allotted, called up and fully paid:

	2013		2012	
	No	£	No	£
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
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19. RESERVES

Group	Profit and loss account £
Balance brought forward	3,779,026
Profit for the year	1,571,981
Equity dividends	(2,500,000)
Foreign currency retranslation	96,183
Balance carried forward	<u>2,947,190</u>
 Company	 Profit and loss account £
Balance brought forward	3,733,603
Profit for the year	1,562,746
Equity dividends	(2,500,000)
Foreign currency retranslation	96,183
Balance carried forward	<u>2,892,532</u>

20. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2013 £	2012 £
Profit for the financial year	1,571,981	2,710,055
Equity dividends	(2,500,000)	(2,500,000)
Foreign currency retranslation	96,183	(102,414)
Net (reduction)/addition to shareholders' funds	<u>(831,836)</u>	107,641
Opening shareholders' funds	7,779,026	7,671,385
Closing shareholders' funds	<u>6,947,190</u>	<u>7,779,026</u>

21. 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.

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22. 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.