

REGISTERED NUMBER 6609604 (England and Wales)

Report of the Director and
Financial Statements for the Year Ended 31 December 2009
for
Straumur Asset Management (UK) Limited

MONDAY



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for the Year Ended 31 December 2009

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Straumur Asset Management (UK) Limited

Company Information
for the Year Ended 31 December 2009

DIRECTOR:

D Bingham

REGISTERED OFFICE:

Berkeley Square House
Third Floor, Berkeley Square
London
W1J 6BU

REGISTERED NUMBER.

6609604 (England and Wales)

AUDITORS:

S H Landes LLP
Registered auditors
5th Floor
Walmar House
288 Regent Street
London
W1B 3AL

Report of the Director
for the Year Ended 31 December 2009

The director presents his report with the financial statements of the company for the year ended 31 December 2009

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of managing member of Julia Capital Management LLP which is involved in managing an investment fund

REVIEW OF BUSINESS

The results of the year and financial position of the company are as shown in the annexed financial statements

The results and the financial position at the year end were considered satisfactory by the director

The company key financial highlights are as follows

	31/12/2009	31/12/2008
	€	€
Income from fixed asset investments	-	90,986
Loss for the year	43,353	62,469

PRINCIPAL RISKS AND UNCERTAINTIES

Following the moratorium and subsequent withdrawal of the operating license, Straumur Burdardas Investment Bank hf the ultimate controlling party has redeemed its investment from the fund which is currently managed by Julia Capital Management LLP a partnership in which Straumur Asset Management (UK) Limited is a managing member

The director does not expect any further income from Julia Capital Management LLP and hence intends to strike off the company as soon as practically possible

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2009

DIRECTORS

The directors who have held office during the period from 1 January 2009 to the date of this report are as follows

W Fall - resigned 31 March 2009
S A Jack - resigned 7 April 2009
D Bingham - appointed 7 April 2009

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The director is responsible for preparing the Report of the Director and the financial statements in accordance with applicable law and regulations

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is 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 director is required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable 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 director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is 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.

Report of the Director
for the Year Ended 31 December 2009

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the director is aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information

ON BEHALF OF THE BOARD:



D Bingham - Director

Date 23.3.2010

**Report of the Independent Auditors to the Shareholders of
Straumur Asset Management (UK) Limited**

We have audited the financial statements of Straumur Asset Management (UK) Limited for the year ended 31 December 2009 on pages six to twelve. 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 Sections 495 and 496 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 a Report of the Auditors 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 director and auditors

As explained more fully in the Statement of Director's Responsibilities set out on page two, the director is 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 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 director, and the overall presentation of the financial statements.

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 2009 and of its loss 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.

Emphasis of matter - Going concern

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosure made in note 1 to the financial statements concerning the company's ability to continue as a going concern. Straumur Burdardas Investment Bank hf, the ultimate controlling party, has redeemed its investment from the fund which was managed by Julia Capital Management LLP, the profit share from which was the only source of income for the company. In the absence of this income, the director intends to dissolve the company as soon as practically possible. This condition, along with the other matters explained in note 1 to the financial statements, indicates that although the accounts have been prepared on a going concern basis, there is no material difference between this and the break-up basis.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, the information given in the Report of the Director for the financial year for which the financial statements are prepared is consistent with the financial statements.

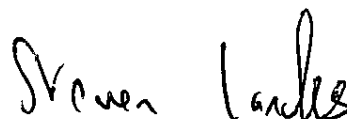
**Report of the Independent Auditors to the Shareholders of
Straumur Asset Management (UK) Limited**

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 director's remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

Steven Landes (Senior Statutory Auditor)
for and on behalf of S H Landes LLP
Registered auditors
5th Floor
Walmar House
288 Regent Street
London
W1B 3AL



Date

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Straumur Asset Management (UK) Limited (Registered number. 6609604)

Profit and Loss Account
for the Year Ended 31 December 2009

	Notes	Year Ended 31 12 09 €	Period 3 6 08 to 31 12 08 €
TURNOVER		-	-
Administrative expenses		62,469	4,134
OPERATING LOSS	3	(62,469)	(4,134)
Income from fixed asset investments		-	90,896
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(62,469)	86,762
Tax on (loss)/profit on ordinary activities	4	(19,116)	24,293
(LOSS)/PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		(43,353)	62,469

CONTINUING OPERATIONS

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

TOTAL RECOGNISED GAINS AND LOSSES

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

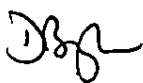
The notes form part of these financial statements

Straumur Asset Management (UK) Limited (Registered number: 6609604)

Balance Sheet
31 December 2009

	Notes	31 12 09 €	€	31 12 08 €	€
FIXED ASSETS					
Investments	5		-		249,000
CURRENT ASSETS					
Debtors	6	23,741		90,906	
CREDITORS					
Amounts falling due within one year	7	<u>4,615</u>		<u>277,427</u>	
NET CURRENT ASSETS/(LIABILITIES)			<u>19,126</u>		<u>(186,521)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>19,126</u>		<u>62,479</u>
CAPITAL AND RESERVES					
Called up share capital	8		10		10
Profit and loss account	9		<u>19,116</u>		<u>62,469</u>
SHAREHOLDERS' FUNDS	12		<u>19,126</u>		<u>62,479</u>

The financial statements were approved by the director on 23/3/2010 and were signed by



D Bingham - Director

The notes form part of these financial statements

Cash Flow Statement
for the Year Ended 31 December 2009

		Year Ended 31 12 09 €	Period 3 6 08 to 31 12 08 €
Net cash inflow from operating activities	Notes 1	24,293	158,104
Returns on investments and servicing of finance	2	-	90,896
Taxation		(24,293)	-
Capital expenditure and financial investment	2	-	(249,000)
Increase in cash in the period		-	-

**Reconciliation of net cash flow
to movement in net debt**

	3		
Increase in cash in the period		-	-
Change in net debt resulting from cash flows		-	-
Movement in net debt in the period		-	-
Net debt at 1 January		-	-
Net debt at 31 December		-	-

The notes form part of these financial statements

Notes to the Cash Flow Statement
for the Year Ended 31 December 2009

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

	Year Ended 31 12 09 €	Period 3 6 08 to 31 12 08 €
Operating loss	(62,469)	(4,134)
Adjustment regarding creditors	249,000	-
Decrease/(Increase) in debtors	86,281	(90,896)
(Decrease)/Increase in creditors	(248,519)	253,134
Net cash inflow from operating activities	24,293	158,104

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

	Year Ended 31 12 09 €	Period 3 6 08 to 31 12 08 €
Returns on investments and servicing of finance		
Dividends received	-	90,896
Net cash inflow for returns on investments and servicing of finance	-	90,896
 Capital expenditure and financial investment		
Purchase of fixed asset investments	-	(249,000)
Net cash outflow for capital expenditure and financial investment	-	(249,000)

3 ANALYSIS OF CHANGES IN NET DEBT

	At 1 1 09 €	Cash flow €	At 31 12 09 €
Net cash			
Cash at bank and in hand	-	-	-

Notes to the Financial Statements
for the Year Ended 31 December 2009

1 ACCOUNTING POLICIES

Accounting convention

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

Deferred tax

The charge for taxation takes into account taxation deferred as a result of timing differences between the treatment of certain items for taxation and accounting purposes. In general, deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date. However, 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 taxation is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which the 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 euro at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into euro at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Going Concern

Following the moratorium and subsequent withdrawal of the operating license, Straumur Burdardas Investment Bank hf, the ultimate controlling party has redeemed its investment from the fund which is currently managed by Julia Capital Management LLP a partnership in which Straumur Asset Management (UK) Limited is a managing member.

The director does not expect any further income from Julia Capital Management LLP and hence intends to dissolve the company as soon as it receives the approval from HM Revenue and Customs. The financial statements have been prepared on a going concern basis even though the director intends to dissolve the company shortly. In the opinion of the director there would have been no material difference between preparing the accounts on a break-up basis and a going concern basis.

Investments

Investments are valued at lower of cost or net realisable value.

2 STAFF COSTS

There were no staff costs for the year ended 31 December 2009 nor for the period ended 31 December 2008.

3 OPERATING LOSS

The operating loss is stated after charging

	Year Ended 31 12 09 €	Period 3 6 08 to 31 12 08 €
Auditors' remuneration	4,614	4,134
	<u> </u>	<u> </u>
Directors' remuneration	-	-
	<u> </u>	<u> </u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2009

4 TAXATION

Analysis of the tax (credit)/charge

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

	Year Ended 31 12 09 €	Period 3 6 08 to 31 12 08 €
Current tax		
UK corporation tax	(19,116)	24,293
Tax on (loss)/profit on ordinary activities	(19,116)	24,293

5 FIXED ASSET INVESTMENTS

The unlisted investment represents the cost of the company's members interest in Julia Capital Management LLP. During the year the investment in Julia Capital Management LLP was set off against the creditor outstanding in respect of the capital contribution as the obligation to make the contribution no longer exists.

6 DEBTORS, AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 12 09 €	31 12 08 €
Amounts owed by group undertakings	4,615	-
Other debtors	19,116	-
Called up share capital not paid	10	10
Prepayments and accrued income	-	90,896
	<u>23,741</u>	<u>90,906</u>

7 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 12 09 €	31 12 08 €
Tax	-	24,293
Other creditors	-	249,000
Accrued expenses	4,615	4,134
	<u>4,615</u>	<u>277,427</u>

8 CALLED UP SHARE CAPITAL

Allotted and issued Number	Class	Nominal value	31 12 09 €	31 12 08 €
1	Ordinary	£10	<u>10</u>	<u>10</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2009

9 RESERVES

	Profit and loss account €
At 1 January 2009	62,469
Deficit for the year	(43,353)
	<hr/>
At 31 December 2009	19,116
	<hr/>

10 RELATED PARTY DISCLOSURES

During the year Straumur Burdaras Investment Bank h f the ultimate controlling party paid various expenses amounting to €28,247 on behalf of the company and charged management fee of €33,895 At 31 December 2009, the company was owed €4,615 by Straumur Burdaras Investment Bank h f

11 ULTIMATE CONTROLLING PARTY

The immediate controlling party is Straumur Funds UK EHF, a company registered in Iceland The ultimate controlling party is Straumur Burdaras Investment Bank h f, which is the parent undertaking of the smallest and largest group to consolidate these financial statements Copies of consolidated financial statements can be obtained from Borgartun 25, 7th floor, 105 Reykjavik, Iceland

On 9 March 2009 the Icelandic Financial Supervisory Authority (IFSA) assumed the powers of the meeting of the shareholders of Straumur Burdaras Investment Bank h f (the ultimate controlling party) and immediately suspended the Board in its entirety Further, the IFSA appointed a Resolution Committee, which took overall authority of the Board of Directors of Straumur Burdaras Investment Bank h f

12 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31 12 09 €	31 12 08 €
(Loss)/Profit for the financial year	(43,353)	62,469
Issued share capital	-	10
	<hr/>	<hr/>
Net (reduction)/addition to shareholders' funds	(43,353)	62,479
Opening shareholders' funds	62,479	-
	<hr/>	<hr/>
Closing shareholders' funds	19,126	62,479
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