

Registered number: 08453606

CHANNON HOLDINGS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2015

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CHANNON HOLDINGS LIMITED

COMPANY INFORMATION

DIRECTORS	Mr G Channon Mrs S Channon Mr S D Tatters
COMPANY SECRETARY	Ms S L Wooler
REGISTERED NUMBER	08453606
REGISTERED OFFICE	Midland Buildings 19a Briggate Shipley West Yorkshire BD17 7BP
INDEPENDENT AUDITORS	Moore Stephens LLP 150 Aldersgate Street London EC1A 4AB

CHANNON HOLDINGS LIMITED

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CHANNON HOLDINGS LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2015

INTRODUCTION

The Directors present their strategic report and financial statements for Channon Holdings Limited ("the Company") covering the year ended 31 March 2015.

BUSINESS REVIEW

The Company was incorporated on 20 March 2013 for the sole purpose of taking ownership of Phoenix Asset Management Partners Limited ("PAMP") from Channon & Co Limited. The reorganisation was undertaken using merger accounting under FRS 6.

The Company receives income from its investment in PAMP.

The activities of PAMP are that of an investment management firm using a long term, value investing approach to manage concentrated portfolios based upon its own proprietary research.

Assets under management at 31 March 2015 were £411m (2014: £299m). The rise in assets under management of £112m was due to net gains from positive investment performance of £50m and a net increase in subscriptions of £62m.

The Phoenix UK Fund, an offshore fund domiciled in the Bahamas, represented 58% of the assets under management at 31 March 2015, with pension funds, an endowment and a multi-manager pension scheme making up the rest.

Performance of the Phoenix UK Fund can be found on the website and all accounts run a similar portfolio. In addition to the £3.69m annual management fee earned on the assets under management, performance fees are earned if the net asset value for the Phoenix UK Fund has increased by the CPI UK inflation rate for the year, or in the case of the pension funds annual returns have outperformed the All Share Index. During the year £1.8m was earned in performance fees (2014: £5.6m).

PAMP is authorised and regulated by the Financial Conduct Authority.

PRINCIPAL RISKS AND UNCERTAINTIES

As the Company's income is wholly derived from its investment in PAMP, the main risk the Company faces relates to a material fall in the underlying profits of PAMP.

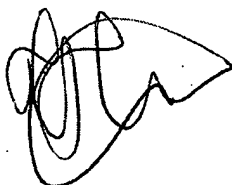
The principal risks and uncertainties of PAMP are dependent on the chief investment officer, Gary Channon, continuing to manage the Fund and accounts. The performance of the Fund and accounts can be negative which reduces management fees and potentially eliminates any performance fees. Investors can redeem on fairly short notice, monthly and quarterly, which would result in reduced fee income.

This report was approved by the board on

22/12/15

and signed on its behalf.

Mr G Channon
Director



CHANNON HOLDINGS LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2015**

The directors present their report and the audited financial statements for the year ended 31 March 2015.

RESULTS AND DIVIDENDS

The loss for the year, after taxation and minority interests, amounted to £2,470,908 (2014 - profit £4,276,096).

The company declared dividends for the year totalling £1,608,932 (2014: nil). Subsequent to the year end, the company declared dividends of £920,124.

DIRECTORS

The directors who served during the year were:

Mr G Channon
Mrs S Channon
Mr S D Tatters

CHARITABLE DONATIONS

During the year charitable donations of £34,950 (2014: £110,197) were paid to institutions.

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company and the group's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company and the group's auditors are aware of that information.

AUDITORS

The auditors, Moore Stephens LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on

22/12/15

and signed on its behalf.

Mr G Channon
Director



CHANNON HOLDINGS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 MARCH 2015

The directors are responsible for preparing the Group strategic report, 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 the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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 group 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 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 company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

CHANNON HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF CHANNON HOLDINGS LIMITED

We have audited the financial statements of Channon Holdings Limited for the year ended 31 March 2015, set out on pages 6 to 20. 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 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, 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 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 Group strategic report and the Directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 the parent company's affairs as at 31 March 2015 and of the group's 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.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Group strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

CHANNON HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF CHANNON HOLDINGS 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent 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.

Kelly Sheppard

Kelly Sheppard (Senior statutory auditor)

for and on behalf of

Moore Stephens LLP (Statutory auditor)

150 Aldersgate Street

London

EC1A 4AB

Date: 23 December 2015

CHANNON HOLDINGS LIMITED
REGISTERED NUMBER: 08453606

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2015

	Note	£	2015 £	£	2014 £
FIXED ASSETS					
Tangible assets	8		46,017		33,481
CURRENT ASSETS					
Debtors	10	1,609,221		6,894,268	
Cash at bank and in hand		1,124,073		788,361	
		<u>2,733,294</u>		<u>7,682,629</u>	
CREDITORS: amounts falling due within one year	11	<u>(1,229,763)</u>		<u>(1,892,326)</u>	
NET CURRENT ASSETS			<u>1,503,531</u>		<u>5,790,303</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>1,549,548</u>		<u>5,823,784</u>
CAPITAL AND RESERVES					
Called up share capital	12		900		900
Profit and loss account	13	1,392,218		5,739,549	
SHAREHOLDERS' FUNDS	14		<u>1,393,118</u>		<u>5,740,449</u>
MINORITY INTERESTS	16		<u>156,430</u>		<u>83,335</u>
			<u>1,549,548</u>		<u>5,823,784</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on


Mr G Channon
 Director

The notes on pages 10 to 20 form part of these financial statements.

CHANNON HOLDINGS LIMITED

**CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2015**

	Note	2015 £	20 March 2013 to 31 March 2014 £
TURNOVER	1,2	5,460,190	8,461,845
Administrative expenses		(2,776,408)	(2,257,257)
Exceptional administrative expenses		(4,685,017)	-
Total administrative expenses		<u>(7,461,425)</u>	<u>(2,257,257)</u>
OPERATING (LOSS)/PROFIT	3	(2,001,235)	6,204,588
Profit on disposal of investments		233,901	-
Interest receivable and similar income		712	1,128
Interest payable and similar charges	6	<u>(557)</u>	<u>(785)</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(1,767,179)	6,204,931
Tax on (loss)/profit on ordinary activities	7	<u>(696,730)</u>	<u>(1,453,060)</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		(2,463,909)	4,751,871
Minority interests		<u>(6,999)</u>	<u>(475,775)</u>
(LOSS)/PROFIT FOR THE FINANCIAL YEAR	13	<u>(2,470,908)</u>	<u>4,276,096</u>

All amounts relate to continuing operations.

There were no recognised gains and losses for 2015 or 2014 other than those included in the Profit and loss account.

The notes on pages 10 to 20 form part of these financial statements.

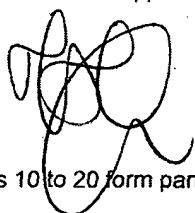
CHANNON HOLDINGS LIMITED
REGISTERED NUMBER: 08453606

COMPANY BALANCE SHEET
AS AT 31 MARCH 2015

	Note	£	2015 £	£	2014 £
FIXED ASSETS					
Investments	9		90,001		90,001
CURRENT ASSETS					
Debtors	10	270,906		4,760,917	
Cash at bank		80,849		235,059	
		<u>351,755</u>		<u>4,995,976</u>	
CREDITORS: amounts falling due within one year	11	(5,500)		(5,500)	
NET CURRENT ASSETS			<u>346,255</u>		<u>4,990,476</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>436,256</u>		<u>5,080,477</u>
CAPITAL AND RESERVES					
Called up share capital	12		900		900
Profit and loss account	13		435,356		5,079,577
SHAREHOLDERS' FUNDS	14		<u>436,256</u>		<u>5,080,477</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

Mr G Channon
 Director



The notes on pages 10 to 20 form part of these financial statements.

CHANNON HOLDINGS LIMITED

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2015**

	Note	2015 £	20 March 2013 to 31 March 2014 £
Net cash flow from operating activities	17	3,018,833	1,379,821
Returns on investments and servicing of finance	18	(237,380)	(564,719)
Taxation		(1,101,530)	(1,022,085)
Capital expenditure and financial investment	18	(35,279)	(23,172)
Acquisitions and disposals	18	300,000	-
Equity dividends paid		(1,608,932)	-
CASH INFLOW/(OUTFLOW) BEFORE FINANCING		335,712	(230,155)
Financing	18	-	(29,175)
INCREASE/(DECREASE) IN CASH IN THE YEAR		335,712	(259,330)

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT
FOR THE YEAR ENDED 31 MARCH 2015**

	2015 £	20 March 2013 to 31 March 2014 £
Increase/(Decrease) in cash in the year	335,712	(259,330)
Cash outflow from decrease in debt and lease financing	-	29,175
MOVEMENT IN NET DEBT IN THE YEAR	335,712	(230,155)
Net funds at 1 April 2014	788,361	1,018,516
NET FUNDS AT 31 MARCH 2015	1,124,073	788,361

CHANNON HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

1.2 Basis of consolidation

The financial statements consolidate the accounts of Channon Holdings Limited and its sole subsidiary undertakings, PAMP. All material intercompany transactions and balances have been eliminated in the group financial statements.

1.3 Turnover

Turnover from management fees is earned and recognised on an accruals basis by spreading the income over the year to which it relates. Performance fees are recognised on the date that they crystallise.

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 of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Motor vehicles	-	33% per annum
Fixtures and fittings	-	33% per annum
Computer equipment	-	33% per annum
Other fixed assets	-	33% per annum

1.5 Investments

Investments held as fixed assets are shown at cost less provision for impairment.

1.6 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the Group. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.7 Operating leases

Rentals under operating leases are charged to the Profit and loss account on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

CHANNON HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

1. ACCOUNTING POLICIES (continued)

1.8 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as 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 assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

1.9 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Profit and loss account.

1.10 Pensions

The Group operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Group to the fund in respect of the year.

2. TURNOVER

Turnover is split between that received from within the UK £1,597,676 (2014: £1,550,738) and that received from outside the UK, being Bahamas based funds £3,862,514 (£6,911,107).

CHANNON HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**

3. OPERATING (LOSS)/PROFIT

The operating (loss)/profit is stated after charging:

	2015 £	20 March 2013 to 31 March 2014 £
Depreciation of tangible fixed assets:		
- owned by the group	22,743	16,655
- held under finance leases	-	15,312
Auditors' remuneration	17,380	16,863
Auditors' remuneration - non-audit	6,668	6,999
Operating lease rentals:		
- other operating leases	36,000	36,000
Write off of loan balance (Note 21)	750,000	-
Write off intercompany balance (Note 21)	4,685,017	-
	<u>4,685,017</u>	<u>-</u>

4. STAFF COSTS

Staff costs, including directors' remuneration, were as follows:

	2015 £	20 March 2013 to 31 March 2014 £
Wages and salaries	1,076,398	1,499,642
Social security costs	235,913	149,744
Other pension costs	15,900	5,100
	<u>1,328,211</u>	<u>1,654,486</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2015 No.	20 March 2013 to 31 March 2014 No.
Administrative/compliance	3	3
Fund management	5	4
	<u>8</u>	<u>7</u>

CHANNON HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**

5. DIRECTORS' REMUNERATION

	2015 £	20 March 2013 to 31 March 2014 £
Remuneration	431,874	317,491
Company pension contributions to defined contribution pension schemes	7,500	-

During the year retirement benefits were accruing to 1 director (2014 - NIL) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £217,567 (2014 - £221,381).

6. INTEREST PAYABLE

	2015 £	20 March 2013 to 31 March 2014 £
On bank loans and overdrafts	557	-
On finance leases and hire purchase contracts	-	785
	557	785

7. TAXATION

	2015 £	20 March 2013 to 31 March 2014 £
UK corporation tax charge on (loss)/profit for the year/period	696,730	1,453,060

CHANNON HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**

7. TAXATION (continued)

Factors affecting tax charge for the year/period

The tax assessed for the year/period is higher than (2014 - *higher than*) the standard rate of corporation tax in the UK of 21% (2014 - 23%). The differences are explained below:

	2015 £	20 March 2013 to 31 March 2014 £
(Loss)/profit on ordinary activities before tax	(1,767,179)	6,204,931
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 21% (2014 - 23%)	(371,108)	1,427,134
Effects of:		
Expenses not deductible for tax purposes	1,130,260	32,559
Capital allowances for year/period in excess of depreciation	(13,303)	(6,633)
Non-taxable income	(49,119)	-
Current tax charge for the year/period (see note above)	696,730	1,453,060

8. TANGIBLE FIXED ASSETS

Group	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Other fixed assets £	Total £
Cost					
At 1 April 2014	109,267	66,819	41,045	1,695	218,826
Additions	16,352	-	17,855	1,072	35,279
At 31 March 2015	125,619	66,819	58,900	2,767	254,105
Depreciation					
At 1 April 2014	84,279	66,819	33,425	822	185,345
Charge for the year	13,166	-	8,665	912	22,743
At 31 March 2015	97,445	66,819	42,090	1,734	208,088
Net book value					
At 31 March 2015	28,174	-	16,810	1,033	46,017
At 31 March 2014	24,988	-	7,620	873	33,481

CHANNON HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**

9. FIXED ASSET INVESTMENTS

Company	Unlisted investments £
Cost or valuation	
At 1 April 2014 and 31 March 2015	<u>90,001</u>
Net book value	
At 31 March 2015	<u>90,001</u>
At 31 March 2014	<u>90,001</u>

10. DEBTORS

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Trade debtors	720,921	1,891,190	-	-
Other debtors	855,968	4,976,284	270,006	4,760,017
Called up share capital not paid	900	900	900	900
Prepayments and accrued income	31,432	25,894	-	-
	<u>1,609,221</u>	<u>6,894,268</u>	<u>270,906</u>	<u>4,760,917</u>

11. CREDITORS:
Amounts falling due within one year

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Trade creditors	19,183	17,889	-	-
Corporation tax	325,230	730,060	-	-
Other taxation and social security	51,094	47,441	-	-
Proposed dividend	30,001	-	-	-
Other creditors	798,755	1,091,436	-	-
Accruals and deferred income	5,500	5,500	5,500	5,500
	<u>1,229,763</u>	<u>1,892,326</u>	<u>5,500</u>	<u>5,500</u>

CHANNON HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**

12. SHARE CAPITAL

	2015 £	2014 £
Allotted, called up and unpaid		
90,000 ordinary shares of £0.01 each	<u>900</u>	<u>900</u>

13. RESERVES

	Profit and loss account £
Group	
At 1 April 2014	5,739,549
Loss for the financial year	(2,470,908)
Dividends: Equity capital (Note 15)	(1,876,423)
	<u>1,392,218</u>
At 31 March 2015	

	Profit and loss account £
Company	
At 1 April 2014	5,079,577
Loss for the financial year	(3,035,289)
Dividends: Equity capital	(1,608,932)
	<u>435,356</u>
At 31 March 2015	

CHANNON HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**

14. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2015 £	2014 £
Group		
Opening shareholders' funds	5,740,449	1,464,353
(Loss)/profit for the financial year/period	(2,470,908)	4,276,096
Dividends (Note 15)	(1,876,423)	-
	<u>1,393,118</u>	<u>5,740,449</u>
Closing shareholders' funds	<u>1,393,118</u>	<u>5,740,449</u>
Company		
Opening shareholders' funds	5,080,477	-
(Loss)/profit for the financial year/period	(3,035,289)	5,079,577
Dividends	(1,608,932)	-
Shares issued during the year/period	-	900
	<u>436,256</u>	<u>5,080,477</u>
Closing shareholders' funds	<u>436,256</u>	<u>5,080,477</u>

The company has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own Profit and loss account.

The (loss)/profit for the year/period dealt with in the accounts of the company was £3,035,289 (2014 - £5,079,577).

15. DIVIDENDS

	2015 £	2014 £
Dividends paid on equity capital	<u>1,876,423</u>	<u>-</u>

16. MINORITY INTERESTS

Equity	£
At 1 April 2014	83,335
Proportion of profit/(loss) after taxation for the year	274,487
Shares issued during the year	66,099
Dividends paid in respect of PAMP	(267,491)
	<u>156,430</u>
At 31 March 2015	<u>156,430</u>

CHANNON HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**

17. NET CASH FLOW FROM OPERATING ACTIVITIES

	2015 £	2014 £
Operating (loss)/profit	(2,001,235)	6,204,588
Depreciation of tangible fixed assets	22,743	31,967
Decrease/(increase) in debtors	5,555,045	(5,274,500)
(Decrease)/increase in creditors	(524,151)	417,766
Other movements	(33,569)	-
Net cash inflow from operating activities	3,018,833	1,379,821

18. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2015 £	2014 £
Returns on investments and servicing of finance		
Interest received	712	1,128
Interest paid	(557)	-
Hire purchase interest	-	(785)
Dividends paid to minority interests	(237,535)	(565,062)
Net cash outflow from returns on investments and servicing of finance	(237,380)	(564,719)

	2015 £	2014 £
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(35,279)	(23,172)

	2015 £	2014 £
Acquisitions and disposals		
Receipt from issue of new share equity in PAMP	300,000	-

	2015 £	2014 £
Financing		
Repayment of finance leases	-	(29,175)

CHANNON HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

19. ANALYSIS OF CHANGES IN NET FUNDS

	1 April 2014 £	Cash flow £	Other non-cash changes £	31 March 2015 £
Cash at bank and in hand	788,361	335,712	-	1,124,073
Net funds	<u>788,361</u>	<u>335,712</u>	<u>-</u>	<u>1,124,073</u>

20. OPERATING LEASE COMMITMENTS

At 31 March 2015 the group had annual commitments under non-cancellable operating leases as follows:

	Land and buildings 2015 £	2014 £
Group		
Expiry date:		
Between 2 and 5 years	<u>36,000</u>	<u>36,000</u>

The Company had no commitments.

21. RELATED PARTY TRANSACTIONS

G Channon is a director and majority shareholder in Channon & Co Limited (C&Co). During the period, C&Co recharged office administration expenses to the group. The amounts are shown in the table below. There were no amounts due at the year end.

In addition, the company issued loans totalling £750,000 (2014: £nil) to C&Co during the year. The loans carried interest of 2% per annum. The company had further balance due from C&Co totalling £4,685,017 (2014: £nil) which arose from the payments by one company on behalf of the other. Both the £750,000 and £4,685,017 are deemed to not be recoverable and have been written off.

S Tatters, a director of the company, is a director of Phoenix Asset Management (Bahamas) Limited ("Bahamas") and, from August 2014, is a director of Phoenix UK Fund ("Fund"). Until September 2014 Bahamas acted as the investment management of the Fund, and from which the group earns management and performance fees. The fees earned and balances outstanding at the year end are shown in the table below.

S Tatters is also a director of Wedding List Solutions Limited ("WLS"). During the year the group charged £1,780 (2014: £24,416) to Wedding List Solutions Limited relating to S Tatters' salary costs. At the year end, WLS owed the group £1,780 (2014: £nil).

G Channon, S Channon and S Tatters, all directors of the company, respectively received £1,007,817 (2014: £nil), £592,158 (2014: £nil) and £8,956 (2014: £nil) dividends during the year.

	2015 £	2014 £
Channon & Co Limited office administrative expenses	153,193	132,473
Management fees received	<u>2,017,381</u>	<u>1,358,911</u>

CHANNON HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**

21. RELATED PARTY TRANSACTIONS (continued)

Performance fees received	1,845,134	5,552,196
Owned by Phoenix Asset Managment (Bahamas) Limited	-	1,320,920
Due to the Group from Phoenix UK Fund	782,634	-

22. CONTROLLING PARTY

The ultimate controlling party is Mr G Channon

23. PRINCIPAL SUBSIDIARIES

Company name	Country	Percentage Shareholding	Description
Phoenix Asset Management Partners Limited	UK	87	Ordinary