

Versatus Advisers LLP
Report And Financial Statements
31 December 2010



INFORMATION

| | |
|------------------------------|--|
| Designated Members | M Berry Versatus Limited |
| Member | J Brouwer |
| Registered office | 6th Floor 30-34 Moorgate London EC2R 6DN |
| Auditors | Rees Pollock 35 New Bridge Street London EC4V 6BW |
| Bankers | HSBC Bank plc City of London branch 60 Queen Victoria Street London EC4N 4TR |
| Solicitors | Dickson Minto WS Broadgate Tower 20 Primrose Street London EC2A 2EW |
| LLP registered number | OC342104 |

MEMBERS' REPORT

For the year ended 31 December 2010

The members present their annual report together with the audited financial statements of Versatus Advisers LLP (the LLP) for the year ended 31 December 2010

Principal activities and review of the business

The principal activity of the LLP is that of the provision of specialist financial advice. The LLP is authorised and regulated by the Financial Services Authority ('FSA')

Designated Members

M Berry and Versatus Limited were designated members of the LLP throughout the period

Members' capital and interests

Members share profits and losses in accordance with profit sharing agreements

Members' capital and drawings are determined by the regulatory requirements of the FSA and any trading needs of the LLP. Members' capital is not repayable except where allowed under FSA rules.

Statement of Members' responsibilities

The members are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law, as applied to LLPs, requires the members to prepare financial statements for each financial year. Under that law the members 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, as applied to LLPs, the members 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 LLP and of the profit or loss of the LLP for that period. In preparing these financial statements, the members are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and 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 LLP will continue in business.

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

Provision of information to auditors

In so far as the members are aware

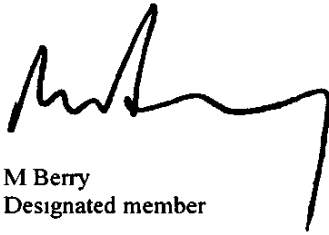
- there is no relevant audit information of which the LLP's auditors are unaware, and
- the members have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

MEMBERS' REPORT (continued)
For the year ended 31 December 2010

Auditors

The auditors, Rees Pollock, have indicated their willingness to continue in office. The Designated members will propose a motion re-appointing the auditors at a meeting of the members.

This report was approved by the members on 20 April 2011 and signed on their behalf, by

A handwritten signature in black ink, appearing to be 'M Berry', with a long horizontal stroke extending to the right.

M Berry
Designated member



REES POLLOCK

Chartered Accountants

35 New Bridge Street
London EC4V 6BW
Telephone 020 7778 7200
Fax 020 7329 6408
www.reespollock.co.uk

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF VERSATUS ADVISERS LLP

We have audited the financial statements of Versatus Advisers LLP for the year ended 31 December 2010, set out on pages 5 to 13. 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 LLP's members in accordance with the Companies Act 2006, as applied by Part 12 of The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008. Our audit work has been undertaken so that we might state to the LLP'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 LLP and the LLP's members for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of members and auditors

As explained more fully in the Statement of members' responsibilities, the members 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 LLP's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the designated members, 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 LLP's affairs as at 31 December 2010 and of its results 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, as applied to limited liability partnerships by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

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, as applied to limited liability partnerships, 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
- we have not received all the information and explanations we require for our audit.

Jonathan Mouldsdale (Senior statutory auditor)
for and on behalf of
Rees Pollock, Statutory Auditor

20 April 2011

PROFIT AND LOSS ACCOUNT
For the year ended 31 December 2010

| | Note | 2010 £ | 2009 £ |
|--|------|----------------|------------------|
| TURNOVER | 2 | 1,301,937 | 220,518 |
| Administrative expenses | | (491,189) | (449,054) |
| OPERATING PROFIT/(LOSS) | 3 | 810,748 | (228,536) |
| Interest receivable and similar income | | 171 | 226 |
| Interest payable and similar charges | 7 | - | (4) |
| PROFIT/(LOSS) FOR THE FINANCIAL YEAR BEFORE MEMBERS' REMUNERATION AND PROFIT SHARES | | <u>810,919</u> | <u>(228,314)</u> |
| PROFIT/(LOSS) FOR THE FINANCIAL YEAR BEFORE MEMBERS' REMUNERATION AND PROFIT SHARES | | 810,919 | (228,314) |
| Members' remuneration charged as an expense | | (810,919) | (358,092) |
| PROFIT/(LOSS) FOR THE FINANCIAL YEAR AVAILABLE FOR DISCRETIONARY DIVISION AMONG MEMBERS | | <u>-</u> | <u>(586,406)</u> |

All amounts relate to continuing operations

There were no recognised gains and losses for 2010 or 2009 other than those included in the profit and loss account

The notes on pages 8 to 13 form part of these financial statements

BALANCE SHEET
As at 31 December 2010

| | Note | £ | 2010 £ | £ | 2009 £ |
|---|------|------------------|------------------|------------------|----------------|
| FIXED ASSETS | | | | | |
| Tangible assets | 8 | | 42,363 | | 90,068 |
| CURRENT ASSETS | | | | | |
| Debtors | 9 | 529,161 | | 207,317 | |
| Cash at bank | | 573,938 | | 22,965 | |
| | | <u>1,103,099</u> | | <u>230,282</u> | |
| CREDITORS: amounts falling due within one year | 10 | <u>(50,462)</u> | | <u>(106,756)</u> | |
| NET CURRENT ASSETS | | | 1,052,637 | | 123,526 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | <u>1,095,000</u> | | <u>213,594</u> |
| REPRESENTED BY: | | | | | |
| Equity | | | | | |
| Members' capital classified as equity under FRS 25 | | 1,095,000 | | 800,000 | |
| Other reserves | | - | | (586,406) | |
| | | <u>1,095,000</u> | | <u>213,594</u> | |
| TOTAL MEMBERS' INTERESTS | | | | | |
| Amounts due from members (included in debtors) | | | (401,368) | | - |
| Members' other interests | | | <u>1,095,000</u> | | <u>213,594</u> |
| | 11 | | <u>693,632</u> | | <u>213,594</u> |

The financial statements were approved and authorised for issue by the members and were signed on their behalf on 20 April 2011



M Berry
Designated member

The notes on pages 8 to 13 form part of these financial statements

CASH FLOW STATEMENT

For the year ended 31 December 2010

| | Note | 2010 £ | 2009 £ |
|---|------|----------------|---------------|
| Net cash flow from operating activities | 12 | 881,683 | (61,517) |
| Returns on investments and servicing of finance | 13 | 171 | 222 |
| Capital expenditure and financial investment | 13 | - | (127,648) |
| Net cash flow from transactions with members | 13 | (330,881) | 211,908 |
| INCREASE IN CASH IN THE YEAR | | 550,973 | 22,965 |

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT

For the year ended 31 December 2010

| | 2010 £ | 2009 £ |
|---|----------------|---------------|
| Increase in cash in the year | 550,973 | 22,965 |
| MOVEMENT IN NET DEBT IN THE YEAR | 550,973 | 22,965 |
| Net funds at 1 January 2010 | 22,965 | - |
| NET FUNDS AT 31 DECEMBER 2010 | 573,938 | 22,965 |

The notes on pages 8 to 13 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2010

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention in accordance with applicable accounting standards and the requirements of the Statement of Recommended Practice "Accounting by Limited Liability Partnerships"

1.2 Going concern

The members have prepared forecasts which, taking account of reasonably possible changes in trading performance, indicate that the LLP should be cash generative and be able to meet its liabilities as they fall due for a period of at least 12 months from the date of signing of these financial statements. The members therefore have a reasonable expectation that the LLP has adequate resources to continue in operation existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

1.3 Turnover

Turnover comprises revenue recognised by the LLP in respect of services supplied, exclusive of value added tax. Revenue is recognised in the period in which the project work was performed once written agreement of fees has been confirmed with customers. Until such time as the fees have been agreed in writing, no revenue can be recognised by the LLP.

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:

| | |
|---------------------|---------------------------|
| Fixtures & fittings | - 4 years straight line |
| Office equipment | - 27 months straight line |

1.5 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.

1.6 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.

1.7 Tax provisions

The taxation payable on profits is the personal liability of the members during the year.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2010

1. ACCOUNTING POLICIES (continued)

1.8 Members' remuneration

The LLP agreement provides that fixed amounts, determined for some members each year, be paid to members, irrespective of the profits of the LLP. These amounts are included as an expense in the profit and loss account after arriving at "profit for the financial year before members' remuneration and profit shares"

A member's discretionary share in the profit or the loss for the year is accounted for as an allocation of profits. Unallocated profits and losses at the year-end are included within "other reserves"

2. TURNOVER

The whole of the turnover is attributable to the entity's principal activity, being the provision of specialist finance advisory services

All turnover arose within the United Kingdom

3. OPERATING PROFIT/(LOSS)

The operating profit/(loss) is stated after charging

| | 2010 £ | 2009 £ |
|---------------------------------------|---------------|---------------|
| Depreciation of tangible fixed assets | | |
| - owned by the LLP | 47,705 | 37,579 |
| Auditors' remuneration | 11,000 | 5,000 |
| Auditors' remuneration - non-audit | 15,180 | 5,120 |
| | <u>73,885</u> | <u>47,700</u> |

4. STAFF COSTS

Staff costs were as follows

| | 2010 £ | 2009 £ |
|-----------------------|----------------|---------------|
| Wages and salaries | 140,891 | 84,457 |
| Social security costs | 16,874 | 9,419 |
| | <u>157,765</u> | <u>93,876</u> |

The average monthly number of persons (including members with contracts of employment) employed during the year was as follows

| | 2010 No. | 2009 No. |
|-------------------------------------|-------------|-------------|
| Operations and administrative staff | 2 | 2 |
| | <u>2</u> | <u>2</u> |

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2010

5 INFORMATION IN RELATION TO MEMBERS

| | 2010 Number | 2009 Number |
|---|----------------|----------------|
| The average number of members during the period was | 4 | 4 |
| | £ | £ |
| Paid under the terms of the LLP agreement | 810,919 | 358,092 |

6 MEMBERS' REMUNERATION

The highest paid member received remuneration of £342,987 (2009 - £147,263)

7. INTEREST PAYABLE

| | 2010 £ | 2009 £ |
|------------------------------|-----------|-----------|
| On bank loans and overdrafts | - | 4 |

8 TANGIBLE FIXED ASSETS

| | Fixtures & fittings £ | Office equipment £ | Total £ |
|--|-----------------------------|--------------------------|------------|
| Cost | | | |
| At 1 January 2010 and 31 December 2010 | 81,874 | 45,774 | 127,648 |
| Depreciation | | | |
| At 1 January 2010 | 27,026 | 10,554 | 37,580 |
| Charge for the year | 36,574 | 11,131 | 47,705 |
| At 31 December 2010 | 63,600 | 21,685 | 85,285 |
| Net book value | | | |
| At 31 December 2010 | 18,274 | 24,089 | 42,363 |
| At 31 December 2009 | 54,848 | 35,220 | 90,068 |

9 DEBTORS

| | 2010 £ | 2009 £ |
|------------------------------------|-----------|-----------|
| Trade debtors | - | 7,500 |
| Amounts owed by group undertakings | 37,694 | 1,974 |
| Other debtors | 28,200 | 17,506 |
| Prepayments and accrued income | 61,899 | 180,337 |
| Amounts due from members | 401,368 | - |
| | 529,161 | 207,317 |

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2010

10 CREDITORS: Amounts falling due within one year

| | 2010 £ | 2009 £ |
|---------------------------------|---------------|----------------|
| Trade creditors | 15,815 | 18,073 |
| Social security and other taxes | 6,959 | 11,398 |
| Accruals and deferred income | 27,688 | 77,285 |
| | <u>50,462</u> | <u>106,756</u> |

11. RECONCILIATION OF MEMBERS' INTERESTS

| | Members' capital (classified as equity) £ | Other reserves £ | Total members' other interests £ | Loans and debts due to members less any amounts due from members in debtors £ | Total 2010 £ | Total 2009 £ |
|---|---|------------------------|--|---|--------------------|--------------------|
| Amounts due to members b/fwd | | | | - | | |
| Amounts due from members b/fwd | | | | - | | |
| Members' interests balance at 1 January 2010 | 800,000 | (586,406) | 213,594 | - | 213,594 | - |
| Members' remuneration charged as an expense | - | - | - | 810,919 | 810,919 | 358,092 |
| Profit for the year available for discretionary division among members | - | - | - | - | - | (586,406) |
| Members' interests after profit for the year | 800,000 | (586,406) | 213,594 | 810,919 | 1,024,513 | (228,314) |
| Allocated loss | - | 586,406 | 586,406 | (586,406) | - | - |
| Amounts withdrawn by members | - | - | - | (625,881) | (625,881) | (358,092) |
| Capital amounts introduced by members | 295,000 | - | 295,000 | - | 295,000 | 800,000 |
| Members' interests at 31 December 2010 | <u>1,095,000</u> | <u>-</u> | <u>1,095,000</u> | <u>(401,368)</u> | <u>693,632</u> | <u>213,594</u> |

Members' interests rank after unsecured creditors, and loans and other debts to members rank pari passu with unsecured creditors in the event of a winding up

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2010

12. NET CASH FLOW FROM OPERATING ACTIVITIES

| | 2010 £ | 2009 £ |
|--|----------------|-----------------|
| Operating profit/(loss) | 810,748 | (228,536) |
| Depreciation of tangible fixed assets | 47,705 | 37,580 |
| Decrease/(increase) in debtors | 79,523 | (205,343) |
| (Decrease)/increase in creditors | (56,293) | 334,782 |
| Net cash inflow/(outflow) from operating activities | 881,683 | (61,517) |

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

| | 2010 £ | 2009 £ |
|---|------------|------------|
| Returns on investments and servicing of finance | | |
| Interest received | 171 | 226 |
| Interest paid | - | (4) |
| Net cash inflow from returns on investments and servicing of finance | 171 | 222 |

| | 2010 £ | 2009 £ |
|---|-----------|-----------|
| Capital expenditure and financial investment | | |
| Purchase of intangible fixed assets | - | (127,648) |

| | 2010 £ | 2009 £ |
|---|------------------|----------------|
| Transactions with members | | |
| Payments to members | (625,881) | (358,092) |
| Contributions by members | 295,000 | 570,000 |
| Net cash (outflow)/inflow from transactions with members | (330,881) | 211,908 |

14. ANALYSIS OF CHANGES IN NET DEBT

| | 1 January 2010 £ | Cash flow £ | 31 December 2010 £ |
|--------------------------|------------------------|----------------|--------------------------|
| Cash at bank and in hand | 22,965 | 550,973 | 573,938 |
| Net funds | 22,965 | 550,973 | 573,938 |

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2010

15 OPERATING LEASE COMMITMENTS

At 31 December 2010 the LLP had annual commitments under non-cancellable operating leases as follows

| | Land and buildings | | | Other |
|-----------------------|--------------------|--------|-------|-------|
| | 2010 | 2009 | 2010 | 2009 |
| | £ | £ | £ | £ |
| Expiry date: | | | | |
| Within 1 year | 34,992 | - | - | - |
| Between 2 and 5 years | - | 65,385 | 1,596 | 1,596 |

16. RELATED PARTY TRANSACTIONS

During the period the LLP paid for certain expenses on behalf of its parent company, Versatus Limited. The balance outstanding at the end of the period in respect of this is £37,694 (2009: £1,974).

17. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

Versatus Limited is the immediate and ultimate parent company and the head of the largest group for which consolidated accounts are prepared. Copies of these consolidated accounts can be obtained from the Company Secretary, Versatus Limited, 6th Floor, 30-34 Moorgate, London, EC2R 6DN. There is no ultimate controlling party as defined in Financial Reporting Standard 8.