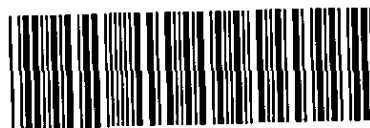


IGNIS FUND MANAGERS LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2009
COMPANY REGISTRATION NUMBER SC85610

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**IGNIS FUND MANAGERS LIMITED
REPORT BY THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2009**

PRINCIPAL ACTIVITY & BUSINESS REVIEW

The principal activity of the Company is the management of Unit Trusts, Open Ended Investment Companies (OEICs), Personal Equity Plans (PEPs) and Individual Savings Accounts (ISAs) investing solely in unit trusts.

The Company is regulated by the Financial Services Authority.

RESULTS FOR THE YEAR

The audited financial statements together with relevant notes and independent auditors' report are shown on pages 6 to 18.

The loss for the year, after taxation, was £0.03m (2008 – profit £3.1m) and the funds under management amounted to £8,324m at 31 December 2009 (31 December 2008 £8,425m). The loss resulted from lower management fees in the third party market.

No dividend was paid during the year (2008 - £8.4m). There is a balance of £3.0m (2008 - £3.1m) carried forward in reserves.

MATERIAL DEVELOPMENTS

On 2 September 2009, the shareholders of Pearl Group Limited (subsequently renamed Pearl Group Holdings (No.2) Limited) which at the time was the Company's ultimate parent undertaking, exchanged their interests in the Group for the issue of shares in Liberty Acquisition Holdings (International) Company. Following this, Liberty Acquisition Holdings (International) Company became the Company's ultimate parent undertaking and subsequently changed its name to Pearl Group. On 15 March 2010 Pearl Group changed its name to Phoenix Group Holdings.

Also on 2 September, the FSA lifted the Own Initiative Variation in Permission which it had placed on the Pearl Group Holdings (No.2) Limited group in 2008.

GOING CONCERN

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Principal Activity & Business review. In addition, Note 11 to the financial statements includes the Company's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments; and its exposure to credit risk and liquidity risk.

At both the Ignis and Group levels comprehensive going concern assessments have been performed. Both the Ignis Board and the Group Board have followed the Financial Reporting Council's *"Going Concern and Liquidity Risk: Guidance for Directors of UK Companies 2009"* when performing their going concern assessments.

**IGNIS FUND MANAGERS LIMITED
REPORT BY THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2009**

GOING CONCERN (CONT'D)

The Ignis assessment performed included review of profit projections under normal and stressed conditions, consideration of the cash position of the Ignis group and a check for contingent liabilities. The Company has no contingent liabilities.

Having thoroughly considered the going concern assessment the Board has concluded that there are no material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern. The Directors have a reasonable expectation that the Company has 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.

FUTURE DEVELOPMENTS

The Company seeks to build on its previous success through the development of its existing product range and the launch of new funds.

DIRECTORS

Directors:	T Cross Brown	Chairman
	C Samuel	Chief Executive (appointed 28 October 09)
	P Reid	Chief Investment Officer
	J Polin	Sales & Marketing Director
	I Paterson Brown	Finance Director
	P Dixon	Director (appointed 16 October 09)
	R Cook	Director (appointed 16 October 09, resigned 3 February 10)
	G Stewart	Chief Executive (resigned 14 August 09)
	F Clutterbuck	Director (resigned 2 September 09)
	E Spencer Churchill	Director (resigned 2 September 09)
	L Tamberlin	Director (resigned 4 June 09)
	R Treen	Director (resigned 2 September 09)
	J Cusins	Director (resigned 2 September 09)

The following directors were appointed after 31 December 2009:

J Moss	Director (appointed 27 January 10)
T Roberts	Director (appointed 10 February 10)
C Fellingham	Director (appointed 10 February 10)

**IGNIS FUND MANAGERS LIMITED
REPORT BY THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2009**

INDEMNITIES

Pearl Group Holdings (No. 2) Limited has agreed to provide an Indemnity to certain persons associated with that company and its subsidiaries. These persons include nominated directors and secretaries of Pearl Group Holdings (No. 2) Limited, directors and secretaries of subsidiary companies such as the Company together with alternate directors and approved persons, being persons in relation to whom the Financial Services Authority has given its approval under section 59 of the Financial Services and Markets Act 2000 ("FSMA") for the performance of a controlled function. This indemnity will cover all losses, costs and expenses incurred by an indemnified person incurred in the exercise, execution and discharge of his duties, or connected to the same, to the fullest extent permitted, consistent with the Companies Act 2006 and the FSA Rules. In addition, with effect from and on 1 March 2010, Impala Holdings Limited has also agreed to provide an Indemnity to certain persons associated with the Company. These persons include the Company's directors, Secretary and approved persons. This indemnity will cover all losses, costs and expenses incurred by an indemnified person in the exercise, execution and discharge of his duties, or connected to the same, to the fullest extent permitted, consistent with the Companies Act 2006 and the FSA Rules. Both indemnities state that they do not apply to any loss suffered or incurred by an indemnified person to the extent that he is indemnified by any third party (including under any Directors & Officers liability insurance). Directors, alternate directors and company secretaries of Pearl Group Holdings (No. 1) Limited and subsidiaries of that company (including members of the Scottish Provident Fund Supervisory Committee) may still benefit from the provisions of an earlier Deed of Indemnity entered into by that company.

RISKS AND UNCERTAINTIES

The Ignis Risk Management framework provides a structured approach for identifying, assessing, controlling and monitoring risk within the Ignis Group. The main risks to the Company's financial performance are the loss of unit holder investors and reductions in fees due to significant market movements. The key financial risks the company is exposed to are market risk, credit risk and liquidity risk. The Company does not apply hedge accounting. Financial risk management is discussed within the notes to the financial statements (Note 11).

**IGNIS FUND MANAGERS LIMITED
REPORT BY THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2009**

AUDITORS

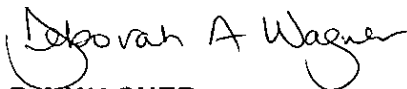
DISCLOSURE OF INFORMATION TO THE AUDITORS

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 the Companies Act 2006, a resolution is to be proposed at the Annual General Meeting for reappointment of Ernst & Young LLP as auditor of the Company.

BY ORDER OF THE BOARD



D A WAGNER
Secretary
March 2010

Registered Office:
50 Bothwell Street
Glasgow G2 6HR

**IGNIS FUND MANAGERS LIMITED
FOR THE YEAR ENDED 31 DECEMBER 2009
STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom 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 of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently ;
- make judgements and estimates that are reasonable and prudent ;
- 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 company 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 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF
IGNIS FUND MANAGERS LIMITED
FOR THE YEAR ENDED 31 DECEMBER 2009**

We have audited the financial statements of Ignis Fund Managers Limited for the year ended 31 December 2009 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 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 member, 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 member 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 member 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 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 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 (APB'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 directors; 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 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 matters 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.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF
IGNIS FUND MANAGERS LIMITED
FOR THE YEAR ENDED 31 DECEMBER 2009**

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 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

Gordon Coull (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Edinburgh

31 March 2010

IGNIS FUND MANAGERS LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2009

		<u>Note</u>	<u>2009</u> £000	<u>2008</u> £000
Turnover			15,258	20,546
Administrative expenses	Ongoing Exceptional	2	(15,240) -	(16,661) (296)
			<u>(15,240)</u>	<u>(16,957)</u>
Operating profit		3	18	3,589
Interest receivable			<u>127</u>	<u>883</u>
Profit on ordinary activities before taxation			145	4,472
Taxation		6	<u>(176)</u>	<u>(1,396)</u>
(Loss) / profit for the financial year		13	<u><u>(31)</u></u>	<u><u>3,076</u></u>

Recognised gains and losses

The company has no recognised gains or losses for the current or prior year other than those detailed above.

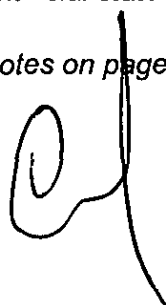
The notes on pages 10 to 18 are an integral part of these financial statements.

IGNIS FUND MANAGERS LIMITED
COMPANY REGISTRATION NUMBER SC85610
BALANCE SHEET
AS AT 31 DECEMBER 2009

	<u>Note</u>	<u>2009</u> £000	<u>2008</u> £000
FIXED ASSETS			
Intangible Assets	7	-	7
CURRENT ASSETS			
Stock of units/shares		645	549
Debtors	8	28,443	15,700
Deferred tax	9	26	26
Corporation tax		275	-
Cash at bank		<u>10,046</u>	<u>9,992</u>
		39,435	26,267
CREDITORS:			
Amounts falling due within one year	10	<u>(34,569)</u>	<u>(21,377)</u>
Net current assets		<u>4,866</u>	<u>4,890</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u><u>4,866</u></u>	<u><u>4,897</u></u>
CAPITAL AND RESERVES:			
Called up share capital	12	1,308	1,308
Share premium account	14	520	520
Profit and loss account	13	<u>3,038</u>	<u>3,069</u>
TOTAL SHAREHOLDERS' FUNDS	15	<u><u>4,866</u></u>	<u><u>4,897</u></u>

The financial statements were approved by the Directors on March 2010.

The notes on pages 10 to 18 are an integral part of these financial statements.



C Samuel

Director

**IGNIS FUND MANAGERS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009**

1. ACCOUNTING POLICIES

1.1 Accounting convention

The financial statements are prepared under the historical cost convention, except for the Stock of units which are valued at fair value at the balance sheet date, and in accordance with applicable law and UK Accounting Standards.

The financial statements of the Company have been prepared on the going concern basis.

1.2 Turnover

Turnover represents the net income accruing to the company from the continuing activity of the management of Unit Trusts, Open Ended Investment Companies (OEICS), Personal Equity Plans and Individual Savings Accounts. Revenue is derived from business transacted in the UK.

1.3 Interest receivable

Interest receivable is credited to the profit and loss account on an accruals basis.

1.4 Cash Flows

The Company is a wholly owned subsidiary of Impala Holdings Limited which is majority held by Phoenix Group Holdings and the cash flows of the Company are included in the consolidated cash flow statements of Phoenix Group. The Company has thus taken advantage of the exemption permitted by FRS1 (revised) and has elected not to prepare its own cash flow statements.

1.5 Pensions

Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account as they are incurred.

1.6 Stock of units

Stock of unit trusts and shares (OEICs) are held at fair value through the Profit and Loss account.

1.7 Deferred Taxation

The charge for taxation is based on profit for the year and takes into account taxation deferred due to timing differences in the treatment of certain items for taxation and accounting purposes.

1.8 Intangible Assets

Intangible assets are capitalised and written off over the estimated useful life, subject to impairment review, if deemed necessary.

IGNIS FUND MANAGERS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009

2. EXCEPTIONAL ITEMS

	<u>2009</u>	<u>2008</u>
	£000	£000
Expenditure:		
Rebranding	-	296
	<u>-</u>	<u>296</u>

These costs were incurred as a result of the change of name from Resolution Fund Managers Limited to Ignis Fund Managers Limited and the rebranding of the underlying products.

3. OPERATING PROFIT

Operating profit is stated after charging:

	<u>Note</u>	<u>2009</u>	<u>2008</u>
		£000	£000
Auditors' Remuneration:			
Fees payable to the Company's auditor for the audit of the Company's annual accounts		57	38
Staff Costs	4	<u>5,896</u>	<u>6,493</u>

The remuneration receivable by the Company's auditors for auditing the 2009 accounts was paid by Pearl Group Management Services Limited and recharged to the Company. Audit costs also include the audit fees of the joint ventures which were borne, in part, by the Company. The remuneration of the auditors for other services provided to the Company is included in the disclosures given in the consolidated financial statements of Phoenix Group Holdings.

The Company had recharged costs of £11,587,426 (2008 - £12,395,741) from Ignis Investment Services Limited, a fellow group undertaking.

IGNIS FUND MANAGERS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009

4. STAFF COSTS

	<u>2009</u>	<u>2008</u>
	£000	£000
Wages and salaries	4,948	5,711
Pension costs	421	196
Social security costs	527	586
	<u>5,896</u>	<u>6,493</u>

All staff are employed by Ignis Investment Services Limited and the staff costs are recharged on the basis of the duties performed for Ignis Fund Managers Limited.

The average number of staff was 117 (2008 - 125). The Ignis Investment Services accounts include analysis of the departments staff are employed by.

5. DIRECTORS REMUNERATION

P Reid, J Polin and G Stewart (resigned) are members of the defined benefit pension scheme.

The aggregate emoluments of the Directors are detailed in full below.

	<u>2009</u>	<u>2008</u>
	£000	£000
Emoluments	<u>590</u>	<u>486</u>

	<u>2009</u>	<u>2008</u>
	No.	No.
Members of defined benefit pension scheme	<u>3</u>	<u>3</u>

The amounts in respect of the highest paid director are as follows:

	<u>2009</u>	<u>2008</u>
	£000	£000
Emoluments	<u>299</u>	<u>190</u>
Total accrued pension at 31 December	<u>6</u>	<u>3</u>

IGNIS FUND MANAGERS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009

6. TAXATION

a) Analysis of tax charge in the period

	<u>2009</u> £000	<u>2008</u> £000
Current Tax		
UK Corporation tax on profits for the period	162	1,396
Adjustments in respect of prior periods	<u>14</u>	<u>-</u>
Total current tax (note 6b)	176	1,396
Deferred Tax (see note 9)		
Origination and reversal of timing difference	<u>-</u>	<u>-</u>
Taxation on ordinary profit	<u>176</u>	<u>1,396</u>

b) Factors affecting tax charge for the period

Profit on ordinary activities before taxation	<u>145</u>	<u>4,472</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2008: 28.5%)	41	1,274
Effects of:		
Expenses not deductible for corporation tax	121	122
Capital allowances in excess of depreciation	-	-
Adjustment in respect of prior period	<u>14</u>	<u>-</u>
Current tax charge for period	<u>176</u>	<u>1,396</u>

In April 2008, the tax rate changed from 30% to 28%. Therefore a blended tax rate of 28.5% was used in 2008. The corporation tax rate was 28% throughout 2009.

IGNIS FUND MANAGERS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009

7. INTANGIBLE ASSETS

Cost:	£000
At 1 January 2009	400
Acquired during the year	<u>-</u>
At 31 December 2009	<u><u>400</u></u>

Amortisation:

At 1 January 2009	393
Provided during the year	<u>7</u>
At 31 December 2009	<u><u>400</u></u>

Net Book Value:

At 31 December 2009	-
At 1 January 2009	<u><u>7</u></u>

The intangible asset was in respect of the purchase price to transfer the fund management of Ignis Asset Managed Trust, an authorised unit trust, from Britannic Unit Trust Managers Limited on 31 January 2004. The asset was written off in equal annual instalments over its estimated economic life of 5 years. The asset was fully written off in January 2009.

8. DEBTORS

	<u>2009</u>	<u>2008</u>
	£000	£000
Trade debtors	26,769	3,259
Cancellation debtors	1,590	12,166
Amount due from fellow group undertaking	-	101
Other debtors	84	174
	<u><u>28,443</u></u>	<u><u>15,700</u></u>

9. DEFERRED TAX

	Capital Allowances Timing difference £000
At 1 January 2009	26
Movement in disallowed provisions during year	<u>-</u>
At 31 December 2009	<u><u>26</u></u>

IGNIS FUND MANAGERS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009

10. CREDITORS

Amounts falling due within one year:

	<u>2009</u>	<u>2008</u>
	£000	£000
Trade creditors	29,158	10,139
Amount due to fellow group undertaking	3,415	8,239
Other creditors	1,996	2,505
Corporation tax payable	-	494
	<u>34,569</u>	<u>21,377</u>

11. RISK MANAGEMENT

The Ignis Risk Management Framework sets out the high level arrangements for risk management, control and assurance within Ignis Asset Management Ltd and its subsidiaries. It is designed to provide a structured approach for identifying, assessing, controlling and monitoring financial and non-financial risk within Ignis Asset Management Group.

Our immediate parent undertaking, Ignis Asset Management Limited, has a Risk Committee comprising the Executive Directors which meets monthly with the CEO as Chairman of the Committee. The Committee's remit covers operational and strategic risk. In addition the Committee has responsibility for review of business continuity, insurance and counterparty risk reporting. The Committee has discussed and analysed throughout 2009 the risks facing the business, based on the potential impact and the perceived likelihood of occurrence.

The Company will strive to manage and mitigate the principal risks facing the organisation and is committed to maintaining a strong compliant culture. The Company also believes it is critical to its success to accept a degree of business risk in a conscious and managed manner that does not threaten its compliant culture.

The Company's activities expose it to a variety of financial risks including certain aspects of market risk, credit risk and liquidity risk.

Market risk

The Company holds units/shares in unit trusts and OEICS for subsequent sale and accordingly is exposed to fluctuations in the market value of these units. The company monitors the levels of these investments and ensures they are kept within agreed limits. The value of units / shares held is such that it is not significant to the overall financial position of the Company. At year end the carrying value of £0.6m represented 1.6% of the value of total assets. The amount disclosed on the balance sheet in respect of 'Stock of units / shares' represents the Company's maximum exposure to market risk.

Credit risk

Credit risk is the risk of loss resulting from the failure of a counterparty to perform its financial obligations or to perform them in a timely fashion. The Company holds no significant concentrations of credit risk, and cash is held with banks rated A and above. A high proportion of the debtors are in relation to unit sales. The amount disclosed on the balance sheet in respect of financial assets represents the Company's maximum exposure to credit risk.

IGNIS FUND MANAGERS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009

11. RISK MANAGEMENT (CONT'D)

Liquidity risk

Liquidity risk is defined as failure of the Company to maintain adequate levels of financial resources to enable it to meet its obligations as they fall due. The Company has an exposure to liquidity risk as a result of normal business activities, specifically the risk arising from an inability to meet short term cash flow requirements. The Company's policy is to maintain sufficient cash deposits to meet obligations at all times.

Regulatory Capital

The Company is a 100% subsidiary of Ignis Asset Management Limited which at year end had a group policy of maintaining capital in excess of its consolidated regulatory requirement. The Company is also a member of an insurance group, the ultimate parent undertaking of which, Phoenix Group Holdings, is required to maintain group capital resources in excess of its group capital resources requirement (Group Capital Adequacy (GCA)) in accordance with Chapter 6 of the Prudential Sourcebook for Insurers.

12. CALLED UP SHARE CAPITAL

The authorised and issued share capital of the company at 31 December 2009 and 31 December 2008 consists of :-

	<u>Authorised Number</u>	<u>Number</u>	<u>£000</u>
		<u>Issued and fully paid</u>	
Ordinary shares of £1 each	<u>5,000,000</u>	<u>1,307,600</u>	<u>1,308</u>

13. PROFIT AND LOSS ACCOUNT

	<u>2009 £000</u>	<u>2008 £000</u>
Balance at 1 January	3,069	8,393
(Loss) / profit for year	(31)	3,076
Dividend paid	-	(8,400)
Balance at 31 December	<u>3,038</u>	<u>3,069</u>

14. SHARE PREMIUM

	<u>2009 £000</u>	<u>2008 £000</u>
Balance as at 31 December	<u>520</u>	<u>520</u>

IGNIS FUND MANAGERS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009

15. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	<u>2009</u> £000	<u>2008</u> £000
Shareholders' funds at 1 January	4,897	10,221
(Loss) / profit for the financial year	(31)	3,076
Dividend paid	<u>-</u>	<u>(8,400)</u>
Shareholders' funds at 31 December	<u>4,866</u>	<u>4,897</u>

16. PENSION COMMITMENTS

The majority of employees of Ignis Investment Services Limited (the cost of whose services are recharged to the Company) are members of the Group Pension Scheme.

Ignis Investment Services Limited is a participating employer in the Scheme. The Scheme comprises a defined contribution section and a defined benefit section, which is closed to new members. The assets of the defined benefit section (the scheme) are held in a trustee administered fund.

An independent actuary carries out a valuation of the scheme every three years and contributions to the scheme are paid in accordance with his recommendations after consultation with the sponsoring employers.

The defined benefit scheme is accounted for by the joint sponsoring employers in accordance with the requirements of FRS17 Retirement Benefits. The company reimburses Pearl Group Holdings (No. 1) Limited for its share of the service cost calculated in accordance with FRS 17.

17. TRANSACTIONS WITH DIRECTORS AND THEIR RELATED PARTIES

	<u>2009</u> £000	<u>2008</u> £000
Investments and life products held by one (2008 - two) Directors at 31 December	<u>270</u>	<u>331</u>
Contributions paid by two (2008 - two) Directors towards investments and life products during the year	<u>13</u>	<u>16</u>

All investments are made on an arms length basis.

IGNIS FUND MANAGERS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009

18. OTHER RELATED PARTY DISCLOSURES

The Company's income is solely derived from its activities as a manager for Ignis Unit Trusts and OEICs and may on a strict interpretation be deemed to be a "related party" to these Unit Trusts and OEICs within the definition of Financial Reporting Standard 8 - Related Party Disclosures. The aggregate total transactions with Citibank International plc as Trustee of the Ignis Unit Trusts were £886.9m (2008 - £2,299.4m) for unit creations and £575.4m (2008 - £5,173.7m) for liquidations. The balance due at 31 December 2009 to Citibank International plc was £5.1m (2008 - £8.4m due from Citibank International plc). The aggregate total transactions with RBS Trustee and Depositary Services as Trustee of the Ignis OEICs were £774.1m (2008 - £376.7m) for unit creations and £1,946.3m (2008 - £2,758.2m) for liquidations. The balance due at 31 December 2009 to RBS Trustee and Depositary Services was £1m (2008 - £2m due from RBS Trustee and Depositary Services). The remaining balances of trade debtors and trade creditors relate to unit sales and repurchases.

The Company has taken advantage of the exemption given by FRS8 to subsidiary undertakings, 90% or more of whose voting rights are controlled within the group, by not disclosing information on related party transactions with entities that are part of the Phoenix Group of companies.

19. ULTIMATE PARENT UNDERTAKING

The Company's immediate parent undertaking is Ignis Asset Management Limited, registered in Scotland.

Prior to 2 September 2009 the Company's ultimate parent undertaking was Pearl Group Holdings (No.2) Limited. Subsequent to this date, the ultimate parent undertaking became Phoenix Group Holdings (known as Pearl Group until 15 March 2010) whose registered office is c/o Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1-1104 Cayman Islands. A copy of the accounts of Phoenix Group Holdings can be obtained from the Company Secretary, 1st Floor, 32 Commercial Street, St Helier, Jersey, JE2 3RU.

The parent undertaking of the smallest group to consolidate these financial statements is Impala Holdings Limited. Copies of the Impala Holdings Limited accounts can be obtained from their registered office The Pearl Centre, Lynch Wood, Peterborough, PE2 6FY.

20. PILLAR 3 DISCLOSURE

Under Pillar 3 of the Capital Requirements Directive (CRD), a firm is required to disclose information relating to a firm's capital, risk exposures and management practices. The relevant disclosures are made on the Ignis Corporate website.