

**PHOENIX ASSET MANAGEMENT PARTNERS LIMITED**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2012**

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**PHOENIX ASSET MANAGEMENT PARTNERS LIMITED**

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**COMPANY INFORMATION**

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|--------------------------|--|
| <b>DIRECTORS</b>         | Mr G Channon<br>Mr S Tatters<br>Mrs C Maby<br>Mr R T Canham    |
| <b>COMPANY SECRETARY</b> | Mrs S Wooler   |
| <b>COMPANY NUMBER</b>    | 03514660   |
| <b>REGISTERED OFFICE</b> | 64-66 Glenthams Road<br>Barnes<br>London<br>SW13 9JJ           |
| <b>BANKERS</b>           | C Hoare & Co<br>37 Fleet Street<br>London<br>EC4P 4DQ          |
| <b>SOLICITORS</b>        | Clifford Chance<br>200 Aldersgate Street<br>London<br>EC1A 4JJ |

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**PHOENIX ASSET MANAGEMENT PARTNERS LIMITED**

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## PHOENIX ASSET MANAGEMENT PARTNERS LIMITED

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### DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2012

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The directors present their report and the financial statements for the year ended 31 March 2012

#### DIRECTORS' RESPONSIBILITIES STATEMENT

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 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 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 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 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.

#### PRINCIPAL ACTIVITIES

The principal activity of the Company is the provision of fund management services to the Phoenix UK Fund, an offshore Fund based in the Bahamas, and segregated accounts for a number of UK pension funds. The investment philosophy is inspired by Warren Buffett and Benjamin Graham. These funds are mainly invested in UK listed companies and cash deposits held in a concentrated portfolio of usually less than 20 companies.

#### BUSINESS REVIEW

In addition to an annual management fee earned on the Net Assets under management, performance fees are earned only 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 for the pension funds annual returns have outperformed the All Share Index.

The principal risks and uncertainties of the company are dependent on the Investment Manager, Gary Channon, continuing to manage the Funds. The price of the shares in the funds can go down as well as up, thereby reducing potential management fees or with persistent underperformance increased risk of losing a pension client or a Phoenix UK Fund investor. The Directors are optimistic about the future.

The company is authorised and regulated by the Financial Services Authority, and conducts its business in accordance with those regulations.

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**PHOENIX ASSET MANAGEMENT PARTNERS LIMITED**

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**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 MARCH 2012**

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**RESULTS AND DIVIDENDS**

The profit for the year, after taxation, amounted to £400,900 (2011 - £197,282)

The dividends for the period were £285,006 (2011 £200,006)

**DIRECTORS**

The directors who served during the year were

Mr G Channon  
Mr S Tatters  
Mrs C Maby  
Mr R T Canham

90,001 shares are owned by Channon & Co Limited G Channon owns 63% of the share capital of Channon & Co Limited, and virtually all the remainder is owned by Mrs Channon, G Channon's wife

**POLITICAL AND CHARITABLE CONTRIBUTIONS**

During the year the charitable donations of £3,450 (2011 £100) were paid to educational institutions

**PROVISION OF INFORMATION TO AUDITORS**

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

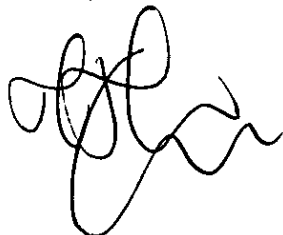
- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing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

This report was approved by the board on

6 July 2012

and signed on its behalf

**Mr G Channon**  
Director



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## **PHOENIX ASSET MANAGEMENT PARTNERS LIMITED**

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### **INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF PHOENIX ASSET MANAGEMENT PARTNERS LIMITED**

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We have audited the financial statements of Phoenix Asset Management Partners Limited for the year ended 31 March 2012, set out on pages 5 to 16. 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 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 Directors' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **OPINION ON FINANCIAL STATEMENTS**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2012 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 MATTER PRESCRIBED BY THE COMPANIES ACT 2006**

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

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PHOENIX ASSET MANAGEMENT PARTNERS LIMITED

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INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF PHOENIX ASSET MANAGEMENT  
PARTNERS LIMITED

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**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

  
Lorraine Bay (Senior statutory auditor)

for and on behalf of  
**Moore Stephens LLP**

Statutory Auditors

150 Aldersgate Street  
London  
EC1A 4AB

Date 12 July 2012

**PHOENIX ASSET MANAGEMENT PARTNERS LIMITED**

**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 MARCH 2012**

|  | Note | 2012<br>£        | 2011<br>£        |
|--|------|------------------|------------------|
| <b>TURNOVER</b>                                      | 1    | <b>1,518,890</b> | <b>1,268,577</b> |
| Administrative expenses                              |      | <b>(959,690)</b> | <b>(982,628)</b> |
| <b>OPERATING PROFIT</b>                              | 3    | <b>559,200</b>   | <b>285,949</b>   |
| Interest receivable and similar income               |      | <b>3,572</b>     | <b>186</b>       |
| Interest payable and similar charges                 | 6    | <b>(9,561)</b>   | <b>(5,857)</b>   |
| <b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b> |      | <b>553,211</b>   | <b>280,278</b>   |
| Tax on profit on ordinary activities                 | 7    | <b>(152,311)</b> | <b>(82,996)</b>  |
| <b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>  |      | <b>400,900</b>   | <b>197,282</b>   |
| <b>PROFIT BROUGHT FORWARD</b>                        |      | <b>225,084</b>   | <b>227,808</b>   |
| Dividends Equity capital                             |      | <b>(285,006)</b> | <b>(200,006)</b> |
| <b>RETAINED PROFIT CARRIED FORWARD</b>               |      | <b>340,978</b>   | <b>225,084</b>   |

All amounts relate to continuing operations

There were no recognised gains and losses for 2012 or 2011 other than those included in the Profit and loss account

The notes on pages 8 to 16 form part of these financial statements



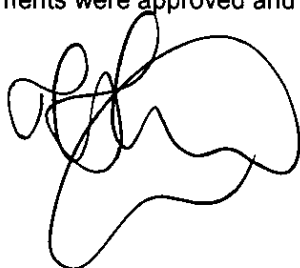
**PHOENIX ASSET MANAGEMENT PARTNERS LIMITED**  
**REGISTERED NUMBER: 03514660**

**BALANCE SHEET**  
**AS AT 31 MARCH 2012**

|   | Note | £              | 2012<br>£             | £              | 2011<br>£             |
|---|------|----------------|-----------------------|----------------|-----------------------|
| <b>FIXED ASSETS</b>   |      |                |                       |                |                       |
| Tangible assets   | 8    |                | 56,399                |                | 89,419                |
| <b>CURRENT ASSETS</b>   |      |                |                       |                |                       |
| Debtors   | 9    | 562,072        |                       | 367,593        |                       |
| Cash at bank and in hand  |      | 37,296         |                       | 31,248         |                       |
|   |      | <u>599,368</u> |                       | <u>398,841</u> |                       |
| <b>CREDITORS</b> , amounts falling due within one year          | 10   | (185,612)      |                       | (119,706)      |                       |
| <b>NET CURRENT ASSETS</b>                                       |      |                | <u>413,756</u>        |                | <u>279,135</u>        |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>                    |      |                | <u>470,155</u>        |                | <u>368,554</u>        |
| <b>CREDITORS</b> , amounts falling due after more than one year | 11   |                | (29,175)              |                | (43,468)              |
| <b>NET ASSETS</b>   |      |                | <u><u>440,980</u></u> |                | <u><u>325,086</u></u> |
| <b>CAPITAL AND RESERVES</b>                                     |      |                |                       |                |                       |
| Called up share capital   | 12   |                | 100,002               |                | 100,002               |
| Profit and loss account   |      |                | 340,978               |                | 225,084               |
| <b>SHAREHOLDERS' FUNDS</b>                                      | 13   |                | <u><u>440,980</u></u> |                | <u><u>325,086</u></u> |

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

**Mr G Channon**  
Director



6 July 2012

The notes on pages 8 to 16 form part of these financial statements

**PHOENIX ASSET MANAGEMENT PARTNERS LIMITED**

**CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 MARCH 2012**

|   | Note | 2012<br>£     | 2011<br>£        |
|---|------|---------------|------------------|
| Net cash flow from operating activities         | 15   | 427,255       | 263,172          |
| Returns on investments and servicing of finance | 16   | (5,989)       | (5,671)          |
| Taxation  |      | (112,697)     | (172,892)        |
| Capital expenditure and financial investment    | 16   | (5,277)       | (15,040)         |
| Equity dividends paid                           |      | (285,006)     | (200,006)        |
| <b>CASH INFLOW/(OUTFLOW) BEFORE FINANCING</b>   |      | <b>18,286</b> | <b>(130,437)</b> |
| Financing                                       | 16   | (12,238)      | (11,521)         |
| <b>INCREASE/(DECREASE) IN CASH IN THE YEAR</b>  |      | <b>6,048</b>  | <b>(141,958)</b> |

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT  
FOR THE YEAR ENDED 31 MARCH 2012**

|  | 2012<br>£      | 2011<br>£        |
|--|----------------|------------------|
| Increase/(Decrease) in cash in the year                | 6,048          | (141,958)        |
| Cash outflow from decrease in debt and lease financing | 12,238         | -                |
| <b>MOVEMENT IN NET DEBT IN THE YEAR</b>                | <b>18,286</b>  | <b>(141,958)</b> |
| Net (debt)/funds at 1 April 2011                       | (24,458)       | 117,500          |
| <b>NET DEBT AT 31 MARCH 2012</b>                       | <b>(6,172)</b> | <b>(24,458)</b>  |

The notes on pages 8 to 16 form part of these financial statements

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## PHOENIX ASSET MANAGEMENT PARTNERS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

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#### 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 accounting standards

##### 1.2 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts

##### 1.3 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

|                        |   |               |
|------------------------|---|---------------|
| Leasehold improvements | - | 33% per annum |
| Motor vehicles         | - | 25% per annum |
| Office equipment       | - | 33% per annum |
| Computer equipment     | - | 33% per annum |

##### 1.4 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 company. 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.

##### 1.5 Operating leases

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

##### 1.6 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 discounted.

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**PHOENIX ASSET MANAGEMENT PARTNERS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2012**

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**1. ACCOUNTING POLICIES (continued)**

**1.7 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

**1.8 Pensions**

Contributions to employees' personal pension plans are expensed as incurred

**2. TURNOVER**

Turnover is split between that received from within the UK £972,064 (2011 £794,379) and that received from outside the UK, being Bahamas based funds £546,826 (2011 £474,198)

**3 OPERATING PROFIT**

The operating profit is stated after charging

|                                       | 2012<br>£ | 2011<br>£ |
|---------------------------------------|-----------|-----------|
| Depreciation of tangible fixed assets |           |           |
| - owned by the company                | 21,591    | 17,287    |
| - held under finance leases           | 16,706    | 16,705    |
| Auditors' remuneration                | 7,836     | 10,773    |
| Auditors' remuneration - non-audit    | 15,987    | 17,312    |
| Operating lease rentals               |           |           |
| - other operating leases              | 36,000    | 36,000    |

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PHOENIX ASSET MANAGEMENT PARTNERS LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2012

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4. STAFF COSTS

Staff costs, including directors' remuneration, were as follows

|                       | 2012<br>£      | 2011<br>£      |
|-----------------------|----------------|----------------|
| Wages and salaries    | 331,020        | 362,843        |
| Social security costs | 28,959         | 37,880         |
| Other pension costs   | 53,100         | 53,100         |
|                       | <u>413,079</u> | <u>453,823</u> |

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

|                           | 2012<br>No. | 2011<br>No |
|---------------------------|-------------|------------|
| Administrative/compliance | 1           | 2          |
| Fund management           | 4           | 5          |
|                           | <u>5</u>    | <u>7</u>   |

5. DIRECTORS' REMUNERATION

|   | 2012<br>£      | 2011<br>£      |
|---|----------------|----------------|
| Emoluments  | <u>154,359</u> | <u>102,907</u> |
| Company pension contributions to defined contribution pension schemes | <u>53,100</u>  | <u>53,100</u>  |

Pension Contributions were made on behalf of 2 directors (2011 2) in the period

6 INTEREST PAYABLE

|   | 2012<br>£    | 2011<br>£    |
|---|--------------|--------------|
| On finance leases and hire purchase contracts | <u>9,561</u> | <u>5,857</u> |

7. TAXATION

|  | 2012<br>£      | 2011<br>£     |
|--|----------------|---------------|
| UK corporation tax charge on profit for the year | <u>152,311</u> | <u>82,996</u> |

**PHOENIX ASSET MANAGEMENT PARTNERS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2012**

**7. TAXATION (continued)**

**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2011 - *higher than*) the standard rate of corporation tax in the UK of 26% (2011 - 28%) The differences are explained below

|  | 2012<br>£ | 2011<br>£ |
|--|-----------|-----------|
| Profit on ordinary activities before tax   | 553,211   | 280,278   |
| Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 26% (2011 - 28%) | 143,835   | 78,478    |
| <b>Effects of:</b>   |           |           |
| Expenses not deductible for tax purposes, other than goodwill amortisation and impairment                  | 2,195     | 1,239     |
| Capital allowances for year less depreciation  | 6,281     | 2,284     |
| Adjustments to tax charge in respect of prior periods  | -         | 1,050     |
| Non-taxable income   | -         | (55)      |
| <b>Current tax charge for the year</b> (see note above)  | 152,311   | 82,996    |

**Factors that may affect future tax charges**

A deferred tax amount of £3,994 has not been recognised, based on timing differences on the depreciation of asset values

**8. TANGIBLE FIXED ASSETS**

|                       | Plant &<br>machinery<br>£ | Motor<br>vehicles<br>£ | Fixtures &<br>fittings<br>£ | Other fixed<br>assets<br>£ | Total<br>£ |
|-----------------------|---------------------------|------------------------|-----------------------------|----------------------------|------------|
| <b>Cost</b>           |                           |                        |                             |                            |            |
| At 1 April 2011       | 76,210                    | 66,819                 | 23,788                      | -                          | 166,817    |
| Additions             | 4,580                     | -                      | -                           | 697                        | 5,277      |
| At 31 March 2012      | 80,790                    | 66,819                 | 23,788                      | 697                        | 172,094    |
| <b>Depreciation</b>   |                           |                        |                             |                            |            |
| At 1 April 2011       | 39,255                    | 18,096                 | 20,047                      | -                          | 77,398     |
| Charge for the year   | 19,717                    | 16,706                 | 1,583                       | 291                        | 38,297     |
| At 31 March 2012      | 58,972                    | 34,802                 | 21,630                      | 291                        | 115,695    |
| <b>Net book value</b> |                           |                        |                             |                            |            |
| At 31 March 2012      | 21,818                    | 32,017                 | 2,158                       | 406                        | 56,399     |
| At 31 March 2011      | 36,955                    | 48,723                 | 3,741                       | -                          | 89,419     |

**PHOENIX ASSET MANAGEMENT PARTNERS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2012**

**8. TANGIBLE FIXED ASSETS (continued)**

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows

|                | 2012<br>£ | 2011<br>£ |
|----------------|-----------|-----------|
| Motor vehicles | -         | 48,722    |

**9. DEBTORS**

|                                | 2012<br>£      | 2011<br>£      |
|--------------------------------|----------------|----------------|
| Trade debtors                  | 378,997        | 336,467        |
| Other debtors                  | 155,518        | -              |
| Prepayments and accrued income | 27,557         | 31,126         |
|                                | <u>562,072</u> | <u>367,593</u> |

**10. CREDITORS:**

**Amounts falling due within one year**

|  | 2012<br>£      | 2011<br>£      |
|--|----------------|----------------|
| Net obligations under finance leases and hire purchase contracts | 14,293         | 12,238         |
| Trade creditors  | 13,257         | 39,827         |
| Corporation tax  | 80,961         | 41,347         |
| Social security and other taxes                                  | 15,750         | 7,780          |
| Accruals and deferred income                                     | 61,351         | 18,514         |
|  | <u>185,612</u> | <u>119,706</u> |

**11. CREDITORS:**

**Amounts falling due after more than one year**

|  | 2012<br>£ | 2011<br>£ |
|--|-----------|-----------|
| Net obligations under finance leases and hire purchase contracts | 29,175    | 43,468    |

Obligations under finance leases and hire purchase contracts, included above, are payable as follows

|                            | 2012<br>£ | 2011<br>£ |
|----------------------------|-----------|-----------|
| Between one and five years | 29,175    | 43,468    |

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PHOENIX ASSET MANAGEMENT PARTNERS LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2012

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12 SHARE CAPITAL

|                                    | 2012<br>£ | 2011<br>£ |
|------------------------------------|-----------|-----------|
| Allotted, called up and fully paid |           |           |
| 100,002 Ordinary shares of £1 each | 100,002   | 100,002   |

13. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

|                             | 2012<br>£ | 2011<br>£ |
|-----------------------------|-----------|-----------|
| Opening shareholders' funds | 325,086   | 327,810   |
| Profit for the year         | 400,900   | 197,282   |
| Dividends (Note 14)         | (285,006) | (200,006) |
| Closing shareholders' funds | 440,980   | 325,086   |

14. DIVIDENDS

|                                  | 2012<br>£ | 2011<br>£ |
|----------------------------------|-----------|-----------|
| Dividends paid on equity capital | 285,006   | 200,006   |

15. NET CASH FLOW FROM OPERATING ACTIVITIES

|   | 2012<br>£ | 2011<br>£ |
|---|-----------|-----------|
| Operating profit                          | 559,200   | 285,949   |
| Depreciation of tangible fixed assets     | 38,297    | 33,992    |
| Increase in debtors                       | (194,477) | (63,900)  |
| Increase in creditors                     | 24,235    | 7,131     |
| Net cash inflow from operating activities | 427,255   | 263,172   |



**PHOENIX ASSET MANAGEMENT PARTNERS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2012**

**16. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT**

|  | 2012<br>£              | 2011<br>£              |
|--|------------------------|------------------------|
| <b>Returns on investments and servicing of finance</b>                       |                        |                        |
| Interest received  | 3,572                  | 186                    |
| Hire purchase interest   | (9,561)                | (5,857)                |
|  | <u>          </u>      | <u>          </u>      |
| <b>Net cash outflow from returns on investments and servicing of finance</b> | <u><u>(5,989)</u></u>  | <u><u>(5,671)</u></u>  |
|  | <br>2012<br>£          | <br>2011<br>£          |
| <b>Capital expenditure and financial investment</b>                          |                        |                        |
| Purchase of tangible fixed assets  | (5,277)                | (15,040)               |
|  | <u>          </u>      | <u>          </u>      |
|  | <br>2012<br>£          | <br>2011<br>£          |
| <b>Financing</b>   |                        |                        |
| Repayment of finance leases  | (12,238)               | -                      |
| Repayment of finance leases  | -                      | (11,521)               |
|  | <u>          </u>      | <u>          </u>      |
| <b>Net cash outflow from financing</b>                                       | <u><u>(12,238)</u></u> | <u><u>(11,521)</u></u> |

**17. ANALYSIS OF CHANGES IN NET DEBT**

|  | 1 April<br>2011<br>£   | Cash flow<br>£       | Other<br>non-cash<br>changes<br>£ | 31 March<br>2012<br>£ |
|--|------------------------|----------------------|-----------------------------------|-----------------------|
| Cash at bank and in hand                   | 31,248                 | 6,048                | -                                 | 37,296                |
| <b>Debt:</b>                               |                        |                      |                                   |                       |
| Debts due within one year                  | (12,238)               | 12,238               | (14,293)                          | (14,293)              |
| Debts falling due after more than one year | (43,468)               | -                    | 14,293                            | (29,175)              |
|  | <u>          </u>      | <u>          </u>    | <u>          </u>                 | <u>          </u>     |
| <b>Net debt</b>                            | <u><u>(24,458)</u></u> | <u><u>18,286</u></u> | <u><u>-</u></u>                   | <u><u>(6,172)</u></u> |

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PHOENIX ASSET MANAGEMENT PARTNERS LIMITED

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**18. OPERATING LEASE COMMITMENTS**

At 31 March 2012 the company had annual commitments under non-cancellable operating leases as follows

|                         | Land and buildings |               |
|-------------------------|--------------------|---------------|
|                         | 2012               | 2011          |
|                         | £                  | £             |
| <b>Expiry date.</b>     |                    |               |
| After more than 5 years | <u>36,000</u>      | <u>36,000</u> |

**19. FINANCE LEASE COMMITMENTS**

At the period end the company had commitments under a finance lease for motor vehicles set out below

Due within one year £14,293 (2011 £12,238)

Due within two to five years £29,175 (2011 £43,468)

**20. RELATED PARTY TRANSACTIONS**

90,001 £1 shares are owned by Channon & Co Limited of which G Channon is a director. During the period Channon & Co Limited recharged office administration expenses to the company. The amounts are shown in the table below. In addition, the company loaned £176,000 to Channon & Co Ltd. The amount outstanding at the year end is shown in the table below. The loan carries interest of 6% p a and is repayable on demand, subject to one weeks notice.

Mrs C Maby is the sole owner of Phoenix Asset Management (Bahamas). S Tatters and A Cole are directors of Phoenix Asset Management (Bahamas), which acts as the investment manager of Phoenix UK Fund.

|  | 2012    | 2011    |
|--|---------|---------|
|  | £       | £       |
| Channon & Co Limited                       | -       | -       |
| Recharged office administration expenses   | 260,268 | 259,872 |
| Loan balance owed by Channon & Co Ltd      | 155,518 | -       |
|  | -       | -       |
| Phoenix Asset Management (Bahamas)         | -       | -       |
| Management fees received                   | 546,826 | 474,198 |
| Owed by Phoenix Asset Management (Bahamas) | 55,104  | 47,764  |
|  | -       | -       |

**21. CONTROLLING PARTY**

In the directors' opinion the parent company at the period end is Channon & Co Limited a company incorporated in the UK. The ultimate holding party of Channon & Co Ltd is Gary Channon.

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**22 PILLAR 3 AND REMUNERATION CODE DISCLOSURES**

The company's Pillar 3 and remuneration Code disclosures can be found on the company's website [www.phoenixassetmanagement.com](http://www.phoenixassetmanagement.com)