Report of the Directors and

Financial Statements for the Year Ended 31 March 2011

for

EPIC Investment Partners Limited

Registered Number 4196006

Contents of the Financial Statements for the Year Ended 31 March 2011

Company Information
for the Year Ended 31 March 2011

DIRECTORS	N B Parekh S D Dowds
SECRETARY	C A Kerr
REGISTERED OFFICE	The Old Treasury 7A Kings Road South Sea Hampshire PO5 4DJ
REGISTERED NUMBER	4196006 (England and Wales)
AUDITORS	BDO LLP 55 Baker Street London W1U 7EU
BANKERS	Barclays Bank Plc 1 Churchill Place London E14 5HP
SOLICITORS:	Memery Crystal 44 Southampton Buildings London WC2A 1AP

Report of the Directors
for the Year Ended 31 March 2011

The directors present their report with the financial statements of the company for the year ended 31 March 2011

PRINCIPAL ACTIVITY
The principal activity of the Company is that of a holding company

REVIEW OF BUSINESS
The Company remains as a holding company for EPIC Asset Management Limited, an Investment Management Company regulated by the Financial Services Authority and continues to operate in the United Kingdom

On 27 April 2011 the ultimate parent undertaking Ashcourt Rowan Plc (formerly Syndicate Asset Management Plc) entered into an agreement to sell the Company together with it's subsidiary company EPIC Asset Management Limited, subject to Financial Services Authority approval The transaction completed on 16 May 2011, the ultimate parent undertaking following the sale is Hume Capital LLP

As shown in the Company's statement of comprehensive income the Company made a loss before tax for the year ended 31 March 2011 of £(1,817,352) compared to the previous year's profit of £727,632 The loss is a result of no dividends received from subsidiary companies and increased administrative expenses The loss for the year of the Company at 31 March 2011 was £(1,726,435) (2010 profit £789,847)

DIVIDENDS
No dividends will be distributed for the year ended 31 March 2011 (2010 £200,000)

EVENTS SINCE THE END OF THE YEAR
Information relating to events since the end of the year is given in the notes to the financial statements

DIRECTORS
The directors who have held office during the period from 1 April 2010 to the date of this report are as follows

J Freeman - resigned 17 December 2010

N B Parekh and S D Dowds were appointed as directors after 31 March 2011 but prior to the date of this report

N A Hale , P Dew and R Shankar ceased to be directors after 31 March 2011 but prior to the date of this report

COMPANY'S POLICY ON PAYMENT OF CREDITORS
The Company does not adhere to an established code for the payment of trade creditors as it does not have significant trade creditors The Company settles payment in agreement with suppliers' terms and conditions

PRINCIPAL RISKS AND UNCERTAINTY
Stock market risk is a potential risk for the Company, as a large proportion of the revenue from the Company's subsidiaries is generated based on market values of portfolios This risk is managed by applying sound portfolio strategies to manage the potential downside on any market fluctuations

The Company's subsidiary is regulated by the Financial Services Authority which imposes a significant body of regulation on the business The Company's subsidiary operates a monitoring and review function headed by a director to ensure that the Company and its staff remain in compliance

The Company is exposed to credit risk in respect of trade receivables included in note 11 These risks are not hedged

HEALTH AND SAFETY
The Company has in place a Health and Safety Policy The aim is to provide both staff and visitors with a safe and healthy working environment The Company is committed to adhering to the high standards of health and safety set out by its policies and procedures and to providing training as necessary

EPIC Investment Partners Limited (Registered number 4196006)

Report of the Directors
for the Year Ended 31 March 2011

STATEMENT OF DIRECTORS' RESPONSIBILITIES
The directors are responsible for preparing the Report of the Directors 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 International Financial Reporting Standards as adopted by the European Union 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 accounting estimates that are reasonable and prudent,
- state that the financial statements comply with IFRS as adopted by the European Union,
- 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

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

AUDITORS
The auditors, BDO LLP, having been appointed by the Directors during the year, have expressed their willingness to continue in office as auditors and a resolution for re-appointment will be proposed at the forthcoming Annual General Meeting

ON BEHALF OF THE BOARD:

S D Dowds - Director

Date 21st December 2011

Report of the Independent Auditors to the Shareholders of EPIC Investment Partners Limited

We have audited the financial statements of EPIC Investment Partners Limited for the year ended 31 March 2011 which comprise the Income Statement, Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and the related notes The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union

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 a Report of the Auditors and for no other purpose To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed

Respective responsibilities of directors and auditors
As explained more fully in the Statement of Directors' Responsibilities set out on page three, 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 (APB's) Ethical Standards for Auditors

Scope of the audit of the financial statements
A description of the scope of an audit of financial statements is provided on the APB's website at www frc org uk/apb/scope/private cfm

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 2011 and of its loss for the year then ended,
- have been properly prepared in accordance with IFRSs as adopted by the European Union, 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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements

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

BDO LLP

Neil Fung-On (Senior Statutory Auditor)
for and on behalf of BDO LLP, Statutory Auditor
London
United Kingdom

Date 21 December 2011

BDO is a limited liability partnership registered in England and Wales (with registered number OC305127)

EPIC Investment Partners Limited (Registered number 4196006)

Income Statement
for the Year Ended 31 March 2011

	Notes	2011 £	2010 £
CONTINUING OPERATIONS			
Revenue		-	-
Administrative expenses		(1,817,351)	(202,237)
OPERATING LOSS		(1,817,351)	(202,237)
Finance costs	5	(4)	(150)
Finance income	5	3	930,019
(LOSS)/PROFIT BEFORE TAX	6	(1,817,352)	727,632
Taxation	7	90,917	62,215
(LOSS)/PROFIT FOR THE YEAR		(1,726,435)	789,847

The notes on pages 11 to 19 form part of these financial statements

EPIC Investment Partners Limited (Registered number 4196006)

Statement of Comprehensive Income
for the Year Ended 31 March 2011

	2011 £	2010 £
(LOSS)/PROFIT FOR THE YEAR	(1,726,435)	789,847
OTHER COMPREHENSIVE INCOME	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	(1,726,435)	789,847

The notes on pages 11 to 19 form part of these financial statements

EPIC Investment Partners Limited (Registered number 4196006)

Statement of Financial Position
31 March 2011

	Notes	2011 £	2010 £
ASSETS			
NON-CURRENT ASSETS			
Intangible assets	9	-	143,250
Investments	10	557,286	1,900,428
Trade and other receivables	11	328,000	328,000
		885,286	2,371,678
CURRENT ASSETS			
Trade and other receivables	11	1,030,419	989,116
Tax receivable		90,032	50,903
Cash and cash equivalents	12	9,356	-
		1,129,807	1,040,019
TOTAL ASSETS		2,015,093	3,381,697
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	13	330,020	-
Financial liabilities - borrowings			
Bank overdrafts	14	-	189
TOTAL LIABILITIES		330,020	189
NET CURRENT ASSETS		799,787	1,039,830
NET ASSETS		1,685,073	3,411,508
SHAREHOLDERS' EQUITY			
Share capital	15	10,721	10,721
Capital redemption reserve	16	850,000	850,000
Retained earnings	16	824,352	2,550,787
TOTAL EQUITY		1,685,073	3,411,508

The financial statements were approved by the Board of Directors on 21st December 2011 and were signed on its behalf by

S D Dowds - Director

The notes on pages 11 to 19 form part of these financial statements

Statement of Changes in Equity
for the Year Ended 31 March 2011

	Share capital £	Retained earnings £	Capital redemption reserve £	Total equity £
Balance at 1 April 2009	10,721	1,960,940	850,000	2,821,661
Changes in equity				
Dividends	-	(200,000)	-	(200,000)
Total comprehensive income	-	789,847	-	789,847
Balance at 31 March 2010	10,721	2,550,787	850,000	3,411,508
Changes in equity				
Total comprehensive income	-	(1,726,435)	-	(1,726,435)
Balance at 31 March 2011	10,721	824,352	850,000	1,685,073

Share capital represents the nominal value of shares subscribed for The capital redemption reserve represents the total amount transferred from share capital on the redemption of issued shares Retained earnings include all other gains and losses and transactions with owners not recognised elsewhere

The notes on pages 11 to 19 form part of these financial statements

Statement of Cash Flows
for the Year Ended 31 March 2011

	Notes	2011 £	2010 £
Cash flows from operating activities			
Cash used in operations	1	(42,242)	(798,084)
Interest paid		(4)	(150)
Tax received/(paid)		51,788	(16,578)
Net cash from/(used in) operating activities		9,542	(814,812)
Cash flows from investing activities			
Interest received		3	19
Dividends received		-	930,000
Net cash from investing activities		3	930,019
Cash flows from financing activities			
Equity dividends paid		-	(200,000)
Net cash used in financing activities		-	(200,000)
Increase/(decrease) in cash and cash equivalents		9,545	(84,793)
Cash and cash equivalents at beginning of year	2	(189)	84,604
Cash and cash equivalents at end of year	2	9,356	(189)

The notes on pages 11 to 19 form part of these financial statements

Notes to the Statement of Cash Flows
for the Year Ended 31 March 2011

1 RECONCILIATION OF (LOSS)/PROFIT BEFORE TAX TO CASH GENERATED FROM OPERATIONS

	2011	2010
	£	£
(Loss)/profit before tax	(1,817,352)	727,632
Share based payment expense	-	(35,386)
Amortisation of intangibles	143,250	19,100
Impairment of investments	1,343,142	-
Finance costs	4	150
Finance income	(3)	(930,019)
	(330,959)	(218,523)
Increase in trade and other receivables	(41,303)	(566,739)
Increase/(decrease) in trade and other payables	330,020	(12,822)
Cash used in operations	(42,242)	(798,084)

2 CASH AND CASH EQUIVALENTS

The amounts disclosed on the statement of cash flow in respect of cash and cash equivalents are in respect of these statement of financial position amounts

Year ended 31 March 2011

	31 3 11	1 4 10
	£	£
Cash and cash equivalents	9,356	-
Bank overdrafts	-	(189)
	9,356	(189)

Year ended 31 March 2010

	31 3 10	1 4 09
	£	£
Cash and cash equivalents	-	84,604
Bank overdrafts	(189)	-
	(189)	84,604

Notes to the Financial Statements
for the Year Ended 31 March 2011

1 GENERAL INFORMATION

EPIC Investment Partners Limited is a wholly owned subsidiary of Hume Capital LLP, a company incorporated in the United Kingdom under the Companies Act 2006 The address of the registered office is given on page 1

These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the company operates

2 ACCOUNTING POLICIES

Basis of preparation
These financial statements have been prepared in accordance with International Financial Reporting Standards, International Accounting Standard and interpretations (collectively IFRSs) issued by the International Accounting Standards Board (IASB) as adopted by the European union ("adopted IFRSs") and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS The financial statements have been prepared under the historical cost convention

Exemption from preparing consolidated financial statements
The financial statements contain information about EPIC Investment Partners Limited as an individual company and do not contain consolidated financial information as the parent of a group The company is exempt under Section 400 of the Companies Act 2006 from the requirements to prepare consolidated financial statements as it and its subsidiary undertaking are included by full consolidation in the consolidated financial statements of its parent at 31 March 2011, Ashcourt Rowan plc, a company registered in the United Kingdom

Financial instruments
Financial assets and financial liabilities are recognised on the company's Statement of Financial Position when the company becomes a party to the contractual provisions of the instrument

Trade and other receivables
Trade and other receivables are initially measured at their fair value, and subsequently measured at amortised cost using the effective interest rate method, as reduced by appropriate allowances for estimated irrecoverable amounts

Cash and cash equivalents
Cash and cash equivalents comprise cash balances and call deposits Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose only of the Statement of Cash Flows

Financial liabilities and equity
Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities

Interest-bearing bank loans and overdrafts are recorded at the proceeds received, net of direct issue costs Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accrual basis in profit or loss using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise

Trade and other payables
Trade and other payables are initially measured at their fair value, and subsequently measured at amortised cost using the effective interest rate method

Equity instruments
Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs

Goodwill
Goodwill arising on business acquisitions represents the excess of the cost of acquisition over the Company's interest in the fair value of the identifiable assets and liabilities of the businesses acquired at the date of acquisition Goodwill is initially recognised as an asset at cost and is reviewed for impairment annually Any impairment is recognised immediately in the income statement and is not subsequently reversed in future periods

Goodwill arising on acquisitions before the date of transition to IFRS has been retained at the previous UK GAAP amounts subject to being tested for impairment at that date

continued

2 **ACCOUNTING POLICIES - continued**

Taxation
The tax expense represents the sum of the tax currently payable and deferred tax
The tax currently payable is based on taxable profit for the year Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity

Going concern assumption
The financial statements have been prepared on a going concern basis which the Directors believe to be appropriate At 31 March 2011 the Company reported net current assets of £799,787 (2010 net current assets of £1,039,830) The Directors have reviewed profit and cash flow forecasts for the coming year and expect the Company to continue to be profitable and to produce a net increase in cash

The directors consider that the Company is sufficiently diversified and has no over reliance on any one customer or supplier

New standards and interpretations not applied
A number of new standards, amendments to Standards and Interpretations, are effective for annual periods beginning after 1 April 2010, and therefore have not been applied in preparing these financial statements None of these is expected to have a significant affect on the financial statements of the Company, except for IFRS 9 'Financial Instruments', which is not yet adopted by the EU and is expected to become mandatory for the Company's 2013 financial statements and could change the classification and measurement of financial assets The Company does not plan to adopt this standard early and the extent of the impact has not been determined

3 **SEGMENTAL REPORTING**

In the opinion of the directors, EPIC Investment Partners Limited operates within a single geographic and business segment being UK Investment management activities

4 **EMPLOYEES AND DIRECTORS**

There were no staff costs for the year ended 31 March 2011 nor for the year ended 31 March 2010

No Directors received any remuneration The remuneration of the Directors employed by the Company's subsidiary company EPIC Asset Management Limited are shown in the report and accounts of that company

continued

5 **NET FINANCE COSTS**

	2011 £	2010 £
Finance income		
Dividends from group undertakings	-	930,000
Deposit account interest	3	19
	3	930,019
Finance costs		
Bank interest	(4)	(150)
Net finance costs	(1)	929,869

6 **(LOSS)/PROFIT BEFORE TAX**

Auditors' remuneration for audit services was £nil (2010 £nil) Costs were borne by the subsidiary undertaking, EPIC Asset Management Limited

Amounts payable to BDO LLP and their associates by the company in respect of non-audit services were £nil (2010 £nil)

7 **TAXATION**

Analysis of the tax credit

	2011 £	2010 £
Current tax		
Corporation tax - group relief	(90,032)	(50,903)
Corporation tax - prior year	(885)	(11,312)
Total tax credit in income statement	(90,917)	(62,215)

Factors affecting the tax charge
The tax assessed for the year is higher (2010 - lower) than the standard rate of corporation tax in the UK The difference is explained below

	2011 £	2010 £
(Loss)/profit on ordinary activities before tax	(1,817,352)	727,632
(Loss)/profit on ordinary activities AT the standard rate of corporation tax in the UK of 28% (2010 - 28%)	(508,859)	203,737
Effects of		
Tax effect of expenses not deductible in determining taxable profit	416,190	5,760
Tax effect of income not chargeable in determining taxable profit	-	(260,400)
Tax effect of other allowances in determining taxable profit	(378)	(11,312)
Effect of prior year taxation adjustment	(885)	-
Losses carried forward	3,015	-
Total tax	(90,917)	(62,215)

8 **DIVIDENDS**

	2011 £	2010 £
'A' Ordinary shares of 1p each		
Final	-	200,000

continued

9 INTANGIBLE ASSETS

	£
COST	
At 1 April 2010	
and 31 March 2011	191,000
AMORTISATION	
At 1 April 2010	47,750
Charge for year	143,250
At 31 March 2011	191,000
NET BOOK VALUE	
At 31 March 2011	-

	£
COST	
At 1 April 2009	
and 31 March 2010	191,000
AMORTISATION	
At 1 April 2009	28,650
Charge for year	19,100
At 31 March 2010	47,750
NET BOOK VALUE	
At 31 March 2010	143,250

10 INVESTMENTS

	Investment in subsidiaries £	Unlisted investments £	Totals £
COST			
At 1 April 2009 and 31 March 2010	1,850,478	49,950	1,900,428
Transfer to group undertaking in the year	-	(49,950)	(49,950)
At 31 March 2011	1,850,478	-	1,850,478
PROVISIONS			
At 1 April 2009 and 31 March 2010	-	-	-
Impairments in the year	1,293,192	49,950	1,343,142
Transfer to group undertaking in the year	-	(49,950)	(49,950)
At 31 March 2011	1,293,192	-	1,293,192
NET BOOK VALUE			
At 31 March 2011	557,286	-	557,286
NET BOOK VALUE			
At 31 March 2010	1,850,478	49,950	1,900,428

continued

10 **INVESTMENTS - continued**

Details of the Company's subsidiaries at 31 March 2011 are as follows

Name of subsidiary	Place of incorporation ownership (or registration) and operation	Proportion of voting interest %	Proportion of power held %
EPIC Asset Management Limited	England and Wales	100	100

11 **TRADE AND OTHER RECEIVABLES**

	2011 £	2010 £
Current		
Amounts owed by group undertakings (See note 17)	1,030,419	989,116
Non-current		
Amounts owed by group undertakings (See note 17)	328,000	328,000

The subordinated loan stock is repayable on demand and is interest free The Directors consider that the carrying amount of the subordinated loan approximates to its fair value

12 **CASH AND CASH EQUIVALENTS**

	2011 £	2010 £
Bank accounts	9,356	-

13 **TRADE AND OTHER PAYABLES**

	2011 £	2010 £
Current		
Accruals and deferred income	330,020	-

14 **FINANCIAL LIABILITIES - BORROWINGS**

	2011 £	2010 £
Current		
Bank overdrafts	-	189

15 **CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid

Number	Class	Nominal value	2011 £	2010 £
1,000,000	'A' Ordinary	1p	10,000	10,000
72,100	'B' Ordinary	1p	721	721
			10,721	10,721

continued

16 RESERVES

	Retained earnings £	Capital redemption reserve £	Totals £
At 1 April 2010	2,550,787	850,000	3,400,787
Deficit for the year	(1,726,435)	-	(1,726,435)
At 31 March 2011	824,352	850,000	1,674,352

17 RELATED PARTY DISCLOSURES

Amounts due from and to other group companies and are included within inter-group balances on the statement of financial position

Amounts due from group undertakings - current assets

	2011 £	2010 £
Ashcourt Rowan plc	989,116	989,116
EPIC Asset Management Limited	41,303	-
	1,030,419	989,116

Amounts due to group undertakings – non-current assets

EPIC Asset Management Limited - subordinated loan	328,000	328,000

During the year, the Company paid management charges of £306,000 (2010 £180,000) to Ashcourt Rowan Plc (formerly Syndicate Asset Management Plc) for the provision of management services The Company received management charges of £306,000 (2010 £nil) from its subsidiary company, EPIC Asset Management Limited

18 POST BALANCE SHEET EVENTS

On 27 April 2011 the ultimate parent undertaking Ashcourt Rowan Plc (formerly Syndicate Asset Management Plc) entered into an agreement to sell the Company together with its subsidiary company EPIC Asset Management Limited, subject to Financial Services Authority approval The transaction completed on 16 May 2011, the ultimate parent undertaking following the sale is Hume Capital LLP

19 ULTIMATE CONTROLLING PARTY

The directors regard Hume Capital LLP, a company incorporated in England and Wales, as the ultimate parent company and the ultimate controlling party

continued

20 RISK MANAGEMENT

Exposure to credit risk, market risk (which combines foreign currency risk, interest rate risk and liquidity risk arises in the normal course of the Company's business

Credit risk
The credit risk to the Company is limited to the non-payment of amounts due from group undertakings, cash at banks and investments

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis
The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies

At the financial reporting date the Company had the following credit risk exposures

	2011	2010
	£	£
Cash and cash equivalents	9,356	-
Due from group companies	1,030,419	989,116
Subordinated loan	328,000	328,000
	1,367,775	1,317,116

The amounts in the above table are based on the carrying value of all accounts

Foreign currency risk
The Company is exposed to foreign currency risk on cash balances that are denominated in a currency other than Sterling The currencies giving rise to this risk are primarily U S Dollars and Euros The significant majority of the Company's clients are invoiced in Sterling and the Company only maintains a small float of cash in foreign currencies Therefore the Company's currency risk is minimal and accordingly no sensitivity analysis has been presented

Interest rate risk
Effective interest rates and maturity analysis
The Company's exposure to interest rate risk on financial assets is mitigated by placing surplus funds on fixed deposit for various levels of maturity The interest rates obtained are market rates which are typically linked to base rate Typically, cash is held on deposit for no longer 30 days All cash balances at the year end were held on call deposit

Management deem interest rate risk immaterial and do not actively manage this risk The table below indicates the period in which they mature and the effective interest rate earned / borne

Cash and cash equivalents

	2011	2010
Effective rate	0 5%	0 5%
	£	£
One year or less	9,356	-

An increase of 50 basis points in interest rates at the financial reporting date would increase interest receivable on cash and cash equivalents held at the financial reporting date by £34 net of tax assuming a corporation tax rate of 28%

continued

Liquidity risk
Liquidity risk is the risk that the Company does not have sufficient financial resources to meet its obligations when they fall due, or will have to do so at excessive cost This risk can arise from mismatches in the timing of cash flows relating to assets, liabilities and off-Statement of Financial Position instruments The Company monitors liquidity risk taking into account cash balances held and levels of borrowing

Non-derivative cash flows
The table below presents the cash flows receivable and payable by the Company under non-derivative financial assets and liabilities by remaining contractual maturities at the financial reporting date The amounts disclosed in the table are the contractual, undiscounted cash flows whereas the Company manages inherent liquidity risk on expected undiscounted cash flows

31 March 2011	On demand	<3 months	3-12 months	1-5 years	>5 years
Assets	£	£	£	£	£
Cash and cash equivalents	9,356	-	-	-	-
Due from group companies	-	-	1,030,419	-	-
Subordinated loan	-	-	-	328,000	-
Total financial assets	9,356	-	1,030,419	328,000	-
Liabilities	£	£	£	£	£
Accruals	-	330,020	-	-	-
Total financial liabilities	-	330,020	-	-	-
Net liquidity gap	9,356	(330,020)	1,030,419	328,000	-

31 March 2010	On demand	<3 months	3-12 months	1-5 years	>5 years
Assets	£	£	£	£	£
Due from group companies	-	-	989,116	-	-
Subordinated loan	-	-	-	328,000	-
Total financial assets	-	-	989,116	328,000	-
Liabilities	£	£	£	£	£
Trade and other payables	-	189	-	-	-
Total financial liabilities	-	189	-	-	-
Net liquidity gap	-	(189)	989,116	328,000	-

Fair values
The fair values together with carrying amounts shown in the balance sheet are as follows

	Carrying Amount 2011	Fair Value 2011	Carrying Amount 2010	Fair Value 2010
	£	£	£	£
Due from group companies	1,358,419	1,358,419	1,317,116	1,317,116
Trade and other payables	330,020	330,020	189	189

continued

Estimation of fair values
The following summarises the major methods and assumptions used in estimating the fair values of financial instruments reflected in the table

Trade and other receivables / payables
For receivables / payables with a remaining life of less than one year, the notional amount is deemed to reflect the fair value All other receivables / payables greater than one year are discounted at base rate to determine the fair value