

MPC Investors Limited

Report and Accounts
31 December 2007

**Rees Pollock
Chartered Accountants**



OFFICERS AND PROFESSIONAL ADVISERS

The Board of Directors	M R Hadsley-Chaplin C S Maude P B J German J H Innes P Harrison
Company Secretary	C S Maude
Registered Office	60 Petty France London SW1H 9EU
Auditor	Rees Pollock 35 New Bridge Street London EC4V 6BW
Bankers	HSBC 18 High Street Reigate RH2 9BB
Solicitors	Dechert 160 Queen Victoria Street London EC4V 4QQ
Registered Number	03517613

The directors present their report and the accounts of the group for the year ended 31 December 2007

Principal activities and business review

The principal activity of the company during the year was fund management. The directors intend to continue to expand the business in the future.

2007 was a year of strong growth for the MPC Group. Five new funds were successfully launched with the result that assets under management grew from £660 million at the end of 2006 to £1.4 billion at the end of 2007. Performance generally was satisfactory given the extreme volatility of the markets in which the Group operates enabling the funds managed to generate both management and performance fees in excess of those achieved in 2006. However 2007 was also a year of investment, building the platform the Group requires for future growth including moving to much larger premises in Petty France in December 2007 and the incorporation of MPC Asset Management LLP. Total headcount also grew during the year from 22 at the beginning to 33 at the end of the year as further resources were put in place to support the existing fund management teams and to provide future capacity.

Key risks

The major risk that faces the Group is that the performance of the various funds managed is poor leading to investor dissatisfaction and redemptions from the funds. The Group manages this risk by having a diversity of funds and strategies managed and in addition by carefully reviewing the factors that influence performance in order to ensure that any negative influences are mitigated.

The other major risk the Group faces is the unexpected departure of key personnel. This risk is mitigated by ensuring that terms and conditions are very competitive and by the continuance of the partnership culture the Group has fostered since its inception.

Key performance indicators

Given the straightforward nature of the business and the Group's accounts, the Directors are of the opinion that analysis using key performance indicators is not necessary to gain an understanding of the development, performance or position of the business. Accordingly no such analysis has been undertaken.

Results and dividends

The profit for the year, after taxation, amounted to £5,624,715. Particulars of dividends paid are detailed in note 8 to the accounts.

Directors

The directors who served the company during the year were as follows:

M R Hadsley-Chaplin
C S Maude
P B J German
D A Robins
J H Innes
P Harrison

D A Robins resigned as a director on 21 October 2007.

Directors' responsibilities

The directors are responsible for preparing the accounts in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of the group and of the profit or loss of the group for that year

In preparing those accounts, the directors are required to select suitable accounting policies, as described on pages 9 to 10, and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The directors must also prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the group and to enable them to ensure that the accounts comply with the Companies Act 1985. The directors are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

Auditor

Each of the persons who is a director at the date of approval of this annual report confirms that

- so far as the director is aware, there is no relevant audit information of which the group's auditors are unaware, and
- the director has taken all steps that he/she ought to have taken as a director to make himself/herself aware of any relevant audit information and to establish that the auditors are aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985

Rees Pollock have expressed their willingness to continue in office as the group's auditors

ON BEHALF OF THE BOARD



M R Hadsley-Chaplin
Chairman

18 April 2008



REES POLLOCK

Chartered Accountants

35 New Bridge Street
London EC4V 6BW
Telephone 020 7778 7200
Fax 020 7329 6408

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MPC INVESTORS LIMITED

We have audited the accounts of MPC Investors Limited for the year ended 31 December 2007 on pages 5 to 17 which have been prepared on the basis of the accounting policies set out on pages 9 to 10

This report is made solely to the company's shareholders, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether, in our opinion, the information given in the Directors' Report is consistent with the accounts. In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if the information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the group's and company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

Opinion

In our opinion

the accounts give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the group's and the parent company's affairs and of the group as at 31 December 2007 and of the profit of the group for the year then ended,
the accounts have been properly prepared in accordance with the Companies Act 1985, and
the information given in the Directors' Report is consistent with the accounts.

Rees Pollock
Chartered Accountants & Registered Auditors

18 April 2008

MPC Investors Limited

GROUP PROFIT AND LOSS ACCOUNT
for the year ended 31 December 2007

	Note	2007 £	2006 £
GROUP TURNOVER	2	26,866,268	20,660,769
Cost of sales		<u>11,492,302</u>	<u>13,460,187</u>
GROSS PROFIT		15,373,966	7,200,582
Administrative expenses		<u>9,415,998</u>	<u>4,758,912</u>
OPERATING PROFIT	3	5,957,968	2,441,670
Interest receivable		<u>174,525</u>	<u>165,484</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		6,132,493	2,607,154
Tax on profit on ordinary activities	6	<u>507,778</u>	<u>809,438</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		5,624,715	1,797,716
Minority interests		<u>4,256,168</u>	<u>—</u>
PROFIT ATTRIBUTABLE TO MEMBERS OF THE PARENT COMPANY	7	1,368,547	1,797,716
PROFIT FOR THE FINANCIAL YEAR		<u>1,368,547</u>	<u>1,797,716</u>

All of the activities of the group are classed as continuing

The group has no recognised gains or losses other than the results for the year as set out above

The company has taken advantage of section 230 of the Companies Act 1985 not to publish its own Profit and Loss Account

The notes on pages 9 to 17 form part of these accounts

MPC Investors Limited

GROUP BALANCE SHEET

at 31 December 2007

	Note	£	2007 £	2006 £
FIXED ASSETS				
Tangible assets	9		917,326	306,340
CURRENT ASSETS				
Debtors	11	8,162,860		2,016,288
Investments	12	2,254,619		2,246,979
Cash at bank		3,122,865		2,565,912
		13,540,344		6,829,179
CREDITORS: amounts falling due within one year	13	4,074,387		2,038,562
NET CURRENT ASSETS			9,465,957	4,790,617
TOTAL ASSETS LESS CURRENT LIABILITIES			10,383,283	5,096,957
PROVISIONS FOR LIABILITIES				
Deferred taxation	14		1,154	1,154
			10,382,129	5,095,803
MINORITY INTERESTS			(4,276,168)	–
			6,105,961	5,095,803
CAPITAL AND RESERVES				
Called-up equity share capital	16		115,134	109,875
Share premium account	17		4,674,217	4,126,625
Profit and loss account	17		1,316,610	859,303
SHAREHOLDERS' FUNDS	18		6,105,961	5,095,803

The accounts on pages 6 to 17 were approved by the board on 18 April 2008 and are signed on its behalf by



M R Hadsley-Chaplin
Director

The notes on pages 9 to 17 form part of these accounts

MPC Investors Limited

BALANCE SHEET

at 31 December 2007

	Note	£	2007 £	2006 £
FIXED ASSETS				
Tangible assets	9		917,326	306,340
Investments	10		500,000	—
			<u>1,417,326</u>	<u>306,340</u>
CURRENT ASSETS				
Debtors	11	3,907,146		2,016,288
Investments	12	2,254,619		2,246,979
Cash at bank		2,602,411		2,565,912
		<u>8,764,176</u>		<u>6,829,179</u>
CREDITORS. amounts falling due within one year	13	<u>4,074,387</u>		<u>2,038,562</u>
NET CURRENT ASSETS			<u>4,689,789</u>	<u>4,790,617</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>6,107,115</u>	<u>5,096,957</u>
PROVISIONS FOR LIABILITIES				
Deferred taxation	14		1,154	1,154
			<u>6,105,961</u>	<u>5,095,803</u>
CAPITAL AND RESERVES				
Called-up equity share capital	16		115,134	109,875
Share premium account	17		4,674,217	4,126,625
Profit and loss account	17		1,316,610	859,303
SHAREHOLDERS' FUNDS			<u>6,105,961</u>	<u>5,095,803</u>

The accounts on pages 6 to 17 were approved by the board on 18 April 2008 and are signed on its behalf by



M R Hadsley-Chaplin
Director

The notes on pages 9 to 17 form part of these accounts

GROUP CASH FLOW CASH FLOW STATEMENT
 for the year ended 31 December 2007

	Note	£	2007 £	2006 £
NET CASH INFLOW FROM OPERATING ACTIVITIES	20		1,821,269	2,908,102
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE				
Interest received		174,525		165,484
NET CASH INFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			174,525	165,484
TAXATION			(469,278)	(838,438)
CAPITAL EXPENDITURE				
Payments to acquire tangible fixed assets		(810,029)		(297,158)
NET CASH OUTFLOW FROM CAPITAL EXPENDITURE			(810,029)	(297,158)
EQUITY DIVIDENDS PAID			(911,240)	(2,103,500)
CASH OUTFLOW BEFORE USE OF LIQUID RESOURCES AND FINANCING			(194,753)	(165,510)
MANAGEMENT OF LIQUID RESOURCES				
Payments to acquire other current asset investments		(1,375,000)		(1,650,470)
Receipts from other current asset investments		1,573,855		1,750,982
NET CASH INFLOW FROM MANAGEMENT OF LIQUID RESOURCES			198,855	100,512
FINANCING				
Issue of equity share capital		5,259		13,950
Share premium on issue of equity share capital		547,592		1,261,050
NET CASH INFLOW FROM FINANCING			552,851	1,275,000
INCREASE IN CASH	21		556,953	1,210,002

The notes on pages 9 to 17 form part of these accounts

NOTES TO THE ACCOUNTS

for the year ended 31 December 2007

1. ACCOUNTING POLICIES

Basis of accounting

The accounts have been prepared under the historical cost convention, and in accordance with applicable accounting standards

Basis of consolidation

The consolidated accounts incorporate the accounts of the company and all group undertakings

As a consolidated profit and loss account is published, a separate profit and loss account for the parent company is omitted from the group accounts by virtue of section 230 of the Companies Act 1985

Turnover

Turnover represents the amounts derived from the provision of services which fall within the company's ordinary activities, stated net of value added tax

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows

Fixtures & fittings	–	3 years straight line
Equipment	–	3 years straight line
Software	–	3-4 years straight line

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight-line basis over the period of the lease

Deferred taxation

Deferred taxation is provided on all timing differences, without discounting, calculated at the rate at which it is estimated that tax will be payable, except where otherwise required by accounting standards

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit

Investments

Current asset investments are valued at market value

NOTES TO THE ACCOUNTS

for the year ended 31 December 2007

1. ACCOUNTING POLICIES (continued)**Cash and liquid resources**

Cash, for the purpose of the cash flow statement, comprises cash in hand and cash deposits, less overdrafts payable on demand

Liquid resources are current asset investments which are disposable without curtailing or disrupting the business and are either readily convertible into known amounts of cash at or close to their carrying values or traded in an active market. Liquid resources comprise all listed current asset investments

2. TURNOVER

The turnover shown in the profit and loss account represents the value of services provided during the year, stated net of value added tax

The company's turnover, other than £668,935 (2006 £1,183,479), is derived entirely from outside the UK

3. OPERATING PROFIT

Operating profit is stated after charging/(crediting)

	2007	2006
	£	£
Depreciation of owned fixed assets	199,043	122,576
Auditor's remuneration		
– as auditor	13,200	12,825
Net (profit)/loss on foreign currency translation	(3,826)	1,000

4. PARTICULARS OF EMPLOYEES

The average number of staff employed by the group during the financial year amounted to

	2007	2006
	No	No
Number of management staff	7	7
Number of fund management staff	10	7
Number of administrative staff	10	8
	<u>27</u>	<u>22</u>

The aggregate payroll costs of the above were

	2007	2006
	£	£
Wages and salaries	17,373,280	16,854,966
Social security costs	315,646	252,436
Other pension costs	816,844	105,545
	<u>18,505,770</u>	<u>17,212,947</u>

NOTES TO THE ACCOUNTS

for the year ended 31 December 2007

5. DIRECTORS' EMOLUMENTS

	2007 £	2006 £
Emoluments	<u>9,012,052</u>	<u>10,772,512</u>
Value of company pension contributions to money purchase schemes	<u>421,680</u>	<u>29,920</u>
Emoluments of highest paid director		
	2007 £	2006 £
Total emoluments (excluding pension contributions)	7,305,872	9,221,316
Value of company pension contributions to money purchase schemes	230,000	–
	<u>7,535,872</u>	<u>9,221,316</u>

The number of directors who accrued benefits under company pension schemes was as follows

	2007 No	2006 No
Money purchase schemes	<u>4</u>	<u>3</u>

The number of directors who exercised share options during the year were as follows

	2007 No	2006 No
Directors who exercised share options	<u>4</u>	<u>3</u>

During the year, the highest paid director exercised 28,500 share options

6. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2007 £	2006 £
Current tax		
UK Corporation tax based on the results for the year at 30% (2006 – 30%)	585,500	796,999
(Over)/under provision in prior year	(77,722)	12,439
Total current tax	<u>507,778</u>	<u>809,438</u>

NOTES TO THE ACCOUNTS

for the year ended 31 December 2007

6. TAXATION ON ORDINARY ACTIVITIES (continued)**(b) Factors affecting current tax charge**

The tax assessed on the profit on ordinary activities for the year differs from the standard rate of corporation tax in the UK of 30% (2006 – 30%)

	2007 £	2006 £
Profit on ordinary activities before taxation	6,132,493	2,607,154
Profit on ordinary activities multiplied by rate of tax	1,839,748	782,146
Expenses not deductible for tax purposes	68,926	14,853
Timing differences on fixed assets	(38,475)	–
Other short term timing differences	(7,849)	–
(Over)/under provision in prior year	(77,722)	12,439
Profit allocated to minority interests	(1,276,850)	–
Total current tax (note 6(a))	507,778	809,438

7. PROFIT ATTRIBUTABLE TO MEMBERS OF THE PARENT COMPANY

The profit dealt with in the accounts of the parent company was £1,368,547 (2006 £1,797,716)

8. DIVIDENDS**Dividends on equity shares**

	2007 £	2006 £
Paid during the year		
Equity dividends on ordinary shares	911,240	2,103,500

9. TANGIBLE FIXED ASSETS

Group and Company	Fixtures & fittings £	Equipment £	Software £	Total £
Cost				
At 1 January 2007	201,294	210,889	311,898	724,081
Additions	443,600	154,901	211,528	810,029
At 31 December 2007	644,894	365,790	523,426	1,534,110
Depreciation				
At 1 January 2007	145,498	164,353	107,890	417,741
Charge for the year	71,451	42,778	84,814	199,043
At 31 December 2007	216,949	207,131	192,704	616,784
Net book value				
At 31 December 2007	427,945	158,659	330,722	917,326
At 31 December 2006	55,796	46,536	204,008	306,340

NOTES TO THE ACCOUNTS

for the year ended 31 December 2007

10. INVESTMENTS

Company	Group entities £
Cost	
Additions	500,000
At 31 December 2007	<u>500,000</u>
Net book value	
At 31 December 2007	<u>500,000</u>

Fixed asset investments represent the company's contribution to the £520,000 members' capital of MPC Asset Management LLP, a fund management firm incorporated in England and Wales. The company controls 80% of the voting rights of the LLP.

11. DEBTORS

	2007 £	Group 2006 £	2007 £	Company 2006 £
Trade debtors	7,611,489	1,866,254	624,162	1,866,254
Amounts owed by group undertakings	—	—	2,731,613	—
VAT recoverable	189,592	28,329	189,592	28,329
Other debtors	158,869	67,799	158,869	67,799
Prepayments and accrued income	202,910	53,906	202,910	53,906
	<u>8,162,860</u>	<u>2,016,288</u>	<u>3,907,146</u>	<u>2,016,288</u>

Included in other debtors is an amount of £nil (2006 £60,670) which is due after more than one year.

12. INVESTMENTS

	2007 £	Group 2006 £	2007 £	Company 2006 £
Other investments	<u>2,254,619</u>	<u>2,246,979</u>	<u>2,254,619</u>	<u>2,246,979</u>

Other investments are recorded on the balance sheet at current market value.

NOTES TO THE ACCOUNTS

for the year ended 31 December 2007

13. CREDITORS: amounts falling due within one year

	Group		Company	
	2007	2006	2007	2006
	£	£	£	£
Trade creditors	20,358	2,111	20,358	2,111
Corporation tax	410,500	372,000	410,500	372,000
PAYE and social security	498,137	340,192	498,137	340,192
Other creditors	2,729,685	19,396	2,729,685	19,396
Accruals and deferred income	415,707	1,304,863	415,707	1,304,863
	<u>4,074,387</u>	<u>2,038,562</u>	<u>4,074,387</u>	<u>2,038,562</u>

14. DEFERRED TAXATION

The group's provision for deferred taxation consists of the tax effect of timing differences in respect of

Group	2007		2006	
	Provided	Unprovided	Provided	Unprovided
	£	£	£	£
Excess of taxation allowances over depreciation on fixed assets	3,787	40,036	3,787	3,867
Other timing differences	(2,633)	2,633	(2,633)	(697)
	<u>1,154</u>	<u>42,669</u>	<u>1,154</u>	<u>3,170</u>

The company's provision for deferred taxation consists of the tax effect of timing differences in respect of

Company	2007		2006	
	Provided	Unprovided	Provided	Unprovided
	£	£	£	£
Excess of taxation allowances over depreciation on fixed assets	3,787	40,036	3,787	3,867
Other timing differences	(2,633)	2,633	(2,633)	(697)
	<u>1,154</u>	<u>42,669</u>	<u>1,154</u>	<u>3,170</u>

NOTES TO THE ACCOUNTS

for the year ended 31 December 2007

15. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2007 the group had annual commitments under non-cancellable operating leases as set out below

Group	Land and buildings	
	2007	2006
	£	£
Operating leases which expire		
Within 1 year	64,092	-
Within 2 to 5 years	-	81,342
After more than 5 years	280,000	40,000
	<u>344,092</u>	<u>121,342</u>

At 31 December 2007 the company had annual commitments under non-cancellable operating leases as set out below

Company	Land and buildings	
	2007	2006
	£	£
Operating leases which expire		
Within 1 year	64,092	-
Within 2 to 5 years	-	81,342
After more than 5 years	280,000	40,000
	<u>344,092</u>	<u>121,342</u>

16. SHARE CAPITAL

Authorised share capital

	2007	2006
	£	£
2,000,000 Ordinary shares of £0.10 each	<u>200,000</u>	<u>200,000</u>

Allotted, called up and fully paid

	2007		2006	
	No	£	No	£
Ordinary shares of £0.10 each	<u>1,151,335</u>	<u>115,134</u>	<u>1,098,750</u>	<u>109,875</u>

During the year, a total of 50,785 £0.10 Ordinary shares were issued for a cash consideration of £10 each, and 1,800 £0.10 Ordinary shares were issued for a cash consideration of £25 each

NOTES TO THE ACCOUNTS

for the year ended 31 December 2007

16 SHARE CAPITAL *(continued)*

Details of options to subscribe for shares in the company, including those held by directors, are set out below

	Number of options	Weighted average exercise price £
Outstanding at 1 January 2007	344,050	19
Granted during the year	165,000	20
Exercised during the year	(50,785)	10
Cancelled during the year	(25,000)	9
Outstanding at 31 December 2007	<u>433,265</u>	<u>21</u>
Exercisable at 31 December 2007	<u>90,765</u>	<u>8</u>

The weighted average share price at the dates at which the above share options were exercised was £10

At 31 December 2007, the range of exercise prices of the outstanding options was from £5 to £50. The weighted average remaining contractual life of these options was 8.2 years

17. RESERVES

Group	Share premium account £	Profit and loss account £
Balance brought forward	4,126,625	859,303
Profit for the year	—	1,368,547
Equity dividends	—	(911,240)
Other movements	—	—
New equity share capital subscribed	547,592	—
Balance carried forward	<u>4,674,217</u>	<u>1,316,610</u>
Company	Share premium account £	Profit and loss account £
Balance brought forward	4,126,625	859,303
Profit for the year	—	1,368,547
Equity dividends	—	(911,240)
Other movements	—	—
New equity share capital subscribed	547,592	—
Balance carried forward	<u>4,674,217</u>	<u>1,316,610</u>

NOTES TO THE ACCOUNTS

for the year ended 31 December 2007

18. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

		2007	2006
	£	£	£
Profit for the financial year		1,368,547	1,797,716
New equity share capital subscribed	5,259		13,950
Premium on new share capital subscribed	547,592		1,261,050
		552,851	
Equity dividends paid		(911,240)	(2,103,500)
Net addition to shareholders' funds		1,010,158	969,216
Opening shareholders' funds		5,095,803	4,126,587
Closing shareholders' funds		6,105,961	5,095,803

19. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2007	2006
	£	£
Operating profit	5,957,968	2,441,670
Depreciation	199,043	122,576
(Increase)/decrease in debtors	(6,126,572)	994,296
Increase/(decrease) in creditors	1,997,325	(604,910)
Revaluation of investments	(206,495)	(45,530)
Net cash inflow from operating activities	1,821,269	2,908,102

20. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2007	2006
	£	£
Increase in cash in the period	556,953	1,210,002
Movement in net funds in the period	556,953	1,210,002
Net funds at 1 January 2007	2,565,912	1,355,910
Net funds at 31 December 2007	3,122,865	2,565,912

21. ANALYSIS OF CHANGES IN NET FUNDS

	At 1 Jan 2007 £	Cash flows £	Revaluation of investments £	At 31 Dec 2007 £
Net cash				
Cash in hand and at bank	2,565,912	556,953	—	3,122,865
Liquid resources				
Current asset investments	2,246,979	(198,855)	206,495	2,254,619
Net funds	4,812,891	358,098	206,495	5,377,484