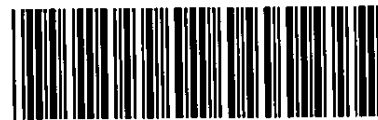


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RWC Partners Limited
Report And Financial Statements
31 December 2009

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COMPANY INFORMATION

Directors	M R Hadsley-Chaplin C S Maude P B J German (resigned 30 June 2009) J H Innes P Harrison
Company secretary	C S Maude
Company number	03517613
Registered office	60 Petty France London SW1H 9EU
Auditors	Rees Pollock Chartered Accountants & Registered Auditors 35 New Bridge Street London EC4V 6BW
Bankers	HSBC Bank plc Reigate RH12 9BB
Solicitors	Dechert 160 Queen Victoria Street London EC4V 4QQ

DIRECTORS' REPORT

For the period ended 31 December 2009

The directors present their report and the financial statements for the year ended 31 December 2009

Principal activity and business review

The principal activity of the company during the year was fund management

2009 commenced with the world still in a very volatile state with equity markets continuing to be very weak through the first quarter. Sentiment towards long short equity funds continued to be poor and this was reflected in further redemptions in the first quarter so that assets under management continued to decline despite strong growth in the RWC Global Convertibles Fund. However matters stabilized in the second quarter and equity markets picked up strongly. Two new US equity long short funds were launched at the end of September, one with a traditional structure and one with a UCITS structure that is proving very popular particularly with European investors. By the end of the year \$588 million was managed in these two funds. Unfortunately the departure of the manager of the Convertibles Fund in November caused substantial outflows. Nonetheless assets under management at the end of the year for the firm amounted to \$2.2 billion, 12% up on the previous year. With the world returning to economic growth we are cautiously optimistic for the future.

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 and minority interests amounted to £789,441 (2008 - £325,291).

The directors have resolved not to recommend a dividend (2008 - £921,388).

Directors

The directors who served during the year were

M R Hadsley-Chaplin
C S Maude
P B J German (resigned 30 June 2009)
J H Innes
P Harrison

DIRECTORS' REPORT

For the period ended 31 December 2009

Charitable contributions

The financial statements include charitable donations of £9,500 (2008 £3,320)

Pillar III disclosures

The company has documented the disclosures required by the FSA under BIPRU 11.3. These are available from the company's website in a public area

Statement of directors' responsibilities

The directors are responsible for preparing the annual 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). The financial statements are required by law to give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group 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 group will continue in business.

The directors are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

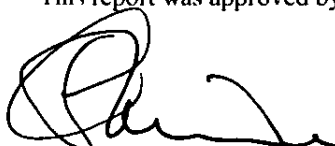
Auditor

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 and the group'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 and the group's auditors in connection with preparing their report and to establish that the company and the group's auditors are aware of that information.

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

This report was approved by the board on 15 April 2010 and signed on its behalf



C S Maude
Director



REES POLLOCK

Chartered Accountants

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

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF RWC PARTNERS LIMITED

We have audited the group and parent company financial statements (the "financial statements") of RWC Partners Limited for the year ended 31 December 2009, set out on pages 4 to 17. 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 Statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's 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 group's and the parent company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2009 and of the group's 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.

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company 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.

Simon Rees (Senior statutory auditor)
for and on behalf of
Rees Pollock
Statutory Auditor

19 April 2010

Partners: Simon Rees FCA CTA, Johnny Mouldsdales FCA, Catherine Kimberlin FCA, Jonathan Munday FCA CTA, Chris Dimmick FCA, Chris Barnett ACA CTA, Phil Vipond ACA. Rees Pollock Limited

Registered to carry on audit work in the UK and Ireland and regulated for a range of investment business activities by The Institute of Chartered Accountants in England and Wales

VAT Registration No 524 9426 37

CONSOLIDATED PROFIT AND LOSS ACCOUNT
For the period ended 31 December 2009

	Note	2009 £	2008 £
TURNOVER	1,2	20,209,835	18,558,016
Cost of sales		(1,417,733)	(907,692)
GROSS PROFIT	3	18,792,102	17,650,324
Administrative expenses		(9,064,929)	(8,756,399)
OPERATING PROFIT	3	9,727,173	8,893,925
Profit/(loss) on disposal of investments		250,412	(14,062)
Interest receivable		11,740	184,877
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		9,989,325	9,064,740
Tax on profit on ordinary activities	6	(348,000)	(286,810)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		9,641,325	8,777,930
Minority interests and unallocated profits of the subsidiary		(8,851,884)	(8,452,639)
PROFIT FOR THE FINANCIAL YEAR	16	789,441	325,291

All amounts relate to continuing operations

There were no recognised gains and losses for 2009 or 2008 other than those included in the profit and loss account

The notes on pages 8 to 17 form part of these financial statements

CONSOLIDATED BALANCE SHEET
as at 31 December 2009

	Note	£	2009 £	£	2008 £
FIXED ASSETS					
Tangible fixed assets	8		492,757		799,478
CURRENT ASSETS					
Debtors	10	4,244,572		2,449,601	
Investments	11	993,010		1,791,767	
Cash at bank and in hand		6,240,511		3,737,124	
		<u>11,478,093</u>		<u>7,978,492</u>	
CREDITORS: amounts falling due within one year	12	<u>(3,105,944)</u>		<u>(2,509,481)</u>	
NET CURRENT ASSETS			8,372,149		5,469,011
TOTAL ASSETS LESS CURRENT LIABILITIES			8,864,906		6,268,489
PROVISIONS FOR LIABILITIES					
Deferred tax			(1,154)		(1,154)
NET ASSETS			<u>8,863,752</u>		<u>6,267,335</u>
CAPITAL AND RESERVES					
Called up share capital	15		116,474		116,174
Share premium account	16		4,868,877		4,854,177
Profit and loss account	16		1,509,954		720,513
SHAREHOLDERS' FUNDS	17		6,495,305		5,690,864
MINORITY INTERESTS AND UNALLOCATED PROFITS OF THE SUBSIDIARY	18		2,368,447		576,471
			<u>8,863,752</u>		<u>6,267,335</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 15 April 2010

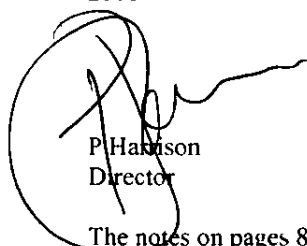

P Harrison
Director

The notes on pages 8 to 17 form part of these financial statements

COMPANY BALANCE SHEET
as at 31 December 2009

	Note	£	2009 £	£	2008 £
FIXED ASSETS					
Tangible fixed assets	8		492,757		799,478
Fixed asset investments	9		500,000		500 000
			<u>992,757</u>		<u>1,299,478</u>
CURRENT ASSETS					
Debtors	10	4,657,579		2,450,635	
Investments	11	993,010		1,791,767	
Cash at bank and in hand		2,865,816		2,659,618	
		<u>8,516,405</u>		<u>6,902,020</u>	
CREDITORS , amounts falling due within one year	12	(3,012,704)		(2,509,480)	
NET CURRENT ASSETS			<u>5,503,701</u>		<u>4,392,540</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>6,496,458</u>		<u>5,692,018</u>
PROVISIONS FOR LIABILITIES					
Deferred tax			(1,154)		(1,154)
NET ASSETS			<u><u>6,495,304</u></u>		<u><u>5,690,864</u></u>
CAPITAL AND RESERVES					
Called up share capital	15		116,474		116,174
Share premium account	16		4,868,877		4,854,177
Profit and loss account	16		1,509,953		720,513
SHAREHOLDERS' FUNDS	17		<u><u>6,495,304</u></u>		<u><u>5,690,864</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 15 April 2010



P. Harrison
Director

The notes on pages 8 to 17 form part of these financial statements

CASH FLOW STATEMENT

For the period ended 31 December 2009

	Note	2009 £	2008 £
Net cash flow from operating activities	19	8,904,692	13,798,981
Returns on investments and servicing of finance	20	(7,048,168)	(11,967,459)
Taxation		(326,071)	(624,239)
Capital expenditure and financial investment	20	(91,235)	(301,426)
Equity dividends paid		-	(921,388)
CASH INFLOW/(OUTFLOW) BEFORE MANAGEMENT OF LIQUID RESOURCES AND FINANCING		1,439,218	(15,531)
Management of liquid resources	20	1,049,169	448,790
Financing	20	15,000	181,000
INCREASE IN CASH IN THE YEAR		2,503,387	614,259

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

For the period ended 31 December 2009

	2009 £	2008 £
Increase in cash in the year	2,503,387	614,259
Cash inflow from increase in liquid resources	(1,049,169)	(448,790)
CHANGE IN NET DEBT RESULTING FROM CASH FLOWS	1,454,218	165,469
Profit/(Loss) on sale of current asset investments	250,412	(14,062)
MOVEMENT IN NET FUNDS IN THE YEAR	1,704,630	151,407
Net funds at 1 January 2009	5,528,891	5,377,484
NET FUNDS AT 31 DECEMBER 2009	7,233,521	5,528,891

The notes on pages 8 to 17 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 December 2009

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 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 408 of the Companies Act 2006

1.3 Turnover

Turnover comprises revenue recognised by the company in respect of management fees receivable, exclusive of value added tax

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases

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

1.5 Operating leases

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

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate

1.6 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

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 Investments

Current asset investments are valued at market value

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 December 2009

1 ACCOUNTING POLICIES (continued)

1.9 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

1.10 Minority interests and unallocated profits of the subsidiary

The profits of the subsidiary, RWC Asset Management LLP, that have not been allocated at the balance sheet date are recognised separately within 'minority interests and unallocated profits of the subsidiary'. It is considered that these profits are neither attributable to the shareholders of the parent company nor to minority interests at the balance sheet. This deviation from standard Companies Act presentation has been made in order to show a true and fair view of the balance sheet and profit and loss account.

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 £536,000 (2008: £471,000), is derived entirely from outside the UK.

3 OPERATING PROFIT

The operating profit is stated after charging/(crediting)

	2009 £	2008 £
Depreciation of tangible fixed assets		
- owned by the group	397,956	418,663
Auditors' remuneration	27,600	22,400
Operating lease rentals		
- other operating leases	444,654	624,709
Difference on foreign exchange	(61,553)	(23,216)
	<u> </u>	<u> </u>

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 December 2009

4 STAFF COSTS

Staff costs, including directors' remuneration, were as follows

	2009 £	2008 £
Wages and salaries	5,033,296	4,577,679
Social security costs	437,446	717,924
Other pension costs	187,410	448,862
	<u>5,658,152</u>	<u>5,744,465</u>

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

	2009 No.	2008 No.
Management staff	7	7
Fund management staff	8	8
Administrative staff	15	15
	<u>30</u>	<u>30</u>

5 DIRECTORS' REMUNERATION

	2009 £	2008 £
Emoluments	<u>976,910</u>	<u>2,730,615</u>
Company pension contributions to money purchase pension schemes	<u>31,680</u>	<u>250,837</u>

During the year retirement benefits were accruing to 3 directors (2008 - 3) in respect of money purchase pension schemes

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

	2009 £	2008 £
Directors who exercised share options	<u>1</u>	<u>-</u>

During the year, directors exercised 3,000 (2008 nil) share options

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 December 2009

6 TAXATION

	2009 £	2008 £
Analysis of tax charge in the year		
UK corporation tax charge on profit for the year	348,000	279,571
Adjustments in respect of prior periods	-	7,239
Tax on profit on ordinary activities	<u>348,000</u>	<u>286,810</u>

Factors affecting tax charge for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK (28%) The differences are explained below

	2009 £	2008 £
Profit on ordinary activities before tax	9,989,325	9,064,740
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2008 - 28%)	2,797,011	2,538,127
Effects of:		
Expenses not deductible for tax purposes	16,808	89,297
Capital allowances for year in excess of depreciation	9,328	-
Sundry tax adjustments	(46,621)	-
Adjustments to tax charge in respect of prior periods	-	7,239
Timing differences on fixed assets	51,494	23,254
Taxed at rate other than 28%	(1,493)	(4,368)
Profit allocated to minority interests	(2,478,527)	(2,366,739)
Current tax charge for the year (see note above)	<u>348,000</u>	<u>286,810</u>

7 DIVIDENDS

	2009 £	2008 £
Dividends paid on equity capital	-	921,388

NOTES TO THE FINANCIAL STATEMENTS
For the period ended 31 December 2009

8 TANGIBLE FIXED ASSETS

Group and Company	Fixtures & fittings £	Equipment £	Software £	Total £
Cost				
At 1 January 2009	670,617	251,093	574,905	1,496,615
Additions	7,039	33,007	51,189	91,235
At 31 December 2009	677,656	284,100	626,094	1,587,850
Depreciation				
At 1 January 2009	327,667	127,979	241,491	697,137
Charge for the year	177,947	70,599	149,410	397,956
At 31 December 2009	505,614	198,578	390,901	1,095,093
Net book value				
At 31 December 2009	172,042	85,522	235,193	492,757
At 31 December 2008	342,950	123,114	333,414	799,478

9 FIXED ASSET INVESTMENTS

Company	Shares in group undertakings £
Cost or valuation	
At 1 January 2009 and 31 December 2009	500,000

Fixed asset investments represent the company's contribution to the £535,000 (2008 £530,000) members' capital of RWC Asset Management LLP, a fund management firm incorporated in England and Wales. The company controls 70% (2008 70%) of the voting rights of the LLP.

10 DEBTORS

	2009 £	Group 2008 £	2009 £	Company 2008 £
Trade debtors	3,413,466	1,895,622	627,192	685,182
Amounts owed by group undertakings	-	-	3,199,281	1,211,476
VAT recoverable	45,927	27,722	45,927	27,722
Other debtors	467,505	334,211	467,505	334,209
Prepayments and accrued income	317,674	192,046	317,674	192,046
	4,244,572	2,449,601	4,657,579	2,450,635

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 December 2009

11 CURRENT ASSET INVESTMENTS

	Group and Company	
	2009	2008
	£	£
Other investments	993,010	1,791,767

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

12. CREDITORS

Amounts falling due within one year

	Group		Company	
	2009	2008	2009	2008
	£	£	£	£
Trade creditors	522,299	415,374	522,299	415,374
Corporation tax	95,000	73,071	95,000	73,071
Social security and other taxes	167,549	158,509	167,549	158,509
Other creditors	1,726,470	1,209,762	1,633,230	1,209,761
Accruals and deferred income	594,626	652,765	594,626	652,765
	<u>3,105,944</u>	<u>2,509,481</u>	<u>3,012,704</u>	<u>2,509,480</u>

13. DEFERRED TAXATION

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

	2009 Provided	2009 Unprovided	2008 Provided	2008 Unprovided
	£	£	£	£
Group				
Excess of taxation allowances over depreciation on fixed assets	1,154	(7,038)	1,154	18,647
Other timing differences	-	-	-	-
	<u>1,154</u>	<u>(7,038)</u>	<u>1,154</u>	<u>18,647</u>

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

	2009 Provided	2009 Unprovided	2008 Provided	2008 Unprovided
	£	£	£	£
Company				
Excess of taxation allowances over depreciation on fixed assets	1,154	(7,038)	1,154	18,647
Other timing differences	-	-	-	-
	<u>1,154</u>	<u>(7,038)</u>	<u>1,154</u>	<u>18,647</u>

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 December 2009

14 OPERATING LEASE COMMITMENTS

The company's operating lease payments on Land and Buildings are tiered, with annual rents payable to 23 August 2009 being £280,000, from 24 August 2009 to 23 August 2011 being £570,000 and from 24 August 2011 to 23 August 2012 being £580,000, with a rent review to determine the annual rent thereafter

15 SHARE CAPITAL

	2009 £	2008 £
Allotted, called up and fully paid		
1,164,740 (2008 - 1,161,740) Ordinary shares shares of 10p each	116,474	116,174

During the year, a total of 3,000 £0 10 Ordinary shares were issued for a cash consideration of £5 each

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 2009	601,665	22
Granted during the year	32,500	15
Exercised during the year	(3,000)	5
Cancelled during the year	(87,500)	25
Outstanding at 31 December 2009	543,665	18
Exercisable at 31 December 2009	447,165	18

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

At 31 December 2009, the range of exercise prices of the outstanding options was from £5 to £30 The weighted average remaining contractual life of these options was 7 0 years (2008 8 0 years)

16. RESERVES

Group	Share premium account £	Profit and loss account £
At 1 January 2009	4,854,177	720,513
Profit for the year	-	789,441
Premium on shares issued during the year	14,700	-
At 31 December 2009	4,868,877	1 509 954

NOTES TO THE FINANCIAL STATEMENTS
For the period ended 31 December 2009

16 RESERVES (continued)

Company	Share premium account £	Profit and loss account £
At 1 January 2009	4,854,177	720,513
Profit for the year	-	789,440
Premium on shares issued during the year	14,700	-
	<u>4,868,877</u>	<u>1,509,953</u>
At 31 December 2009		

17 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

Group	2009 £	2008 £
Opening shareholders' funds	5,690,864	6,105,961
Profit for the year	789,441	325,291
Dividends (Note 7)	-	(921,388)
Shares issued during the year	300	1,040
Share premium on shares issued (net of expenses)	14,700	179,960
	<u>6,495,305</u>	<u>5,690,864</u>
Closing shareholders' funds		

Company	2009 £	2008 £
Opening shareholders' funds	5,690,864	6,105,961
Profit for the year	789,440	325,291
Dividends (Note 7)	-	(921,388)
Shares issued during the year	300	1,040
Share premium on shares issued (net of expenses)	14,700	179,960
	<u>6,495,304</u>	<u>5,690,864</u>
Closing shareholders' funds		

The company has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own Profit and loss Account

The profit for the year dealt with in the accounts of the company was £789,440 (2008 - £325,291)

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 December 2009

18. MINORITY INTERESTS AND UNALLOCATED PROFITS OF THE SUBSIDIARY

	2009 £	2008 £
Minority interest in the capital of the subsidiary	35,000	30,000
Amounts owed to minority interests	199,652	546,471
Amounts owed by minority interests	(4,373,596)	-
Unallocated profits of the subsidiary	6,507,391	-
Total	<u>2,368,447</u>	<u>576,471</u>

19. NET CASH FLOW FROM OPERATING ACTIVITIES

	2009 £	2008 £
Operating profit	9,727,173	8 893,925
Depreciation of tangible fixed assets	397,956	418,663
Loss on disposal of tangible fixed assets	-	611
(Increase)/decrease in debtors	(1,794,972)	5,713,259
Increase/(decrease) in creditors	574,535	(1,227,477)
Net cash inflow from operating activities	<u>8,904,692</u>	<u>13,798,981</u>

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

	2009 £	2008 £
Returns on investments and servicing of finance		
Interest received	11,740	184,877
Net payments to minority interests	(7 059,908)	(12,152,336)
Net cash outflow from returns on investments and servicing of finance	<u>(7,048,168)</u>	<u>(11,967,459)</u>
	2009 £	2008 £
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(91,235)	(302,207)
Sale of tangible fixed assets	-	781
Net cash outflow from capital expenditure	<u>(91,235)</u>	<u>(301,426)</u>

NOTES TO THE FINANCIAL STATEMENTS
For the period ended 31 December 2009

20. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT (continued)

	2009	2008
	£	£
Management of liquid resources		
Payments to acquire other current asset investments	1,635,592	(999,583)
Receipts from other current asset investments	(586,423)	1,448,373
	<u>1,049,169</u>	<u>448,790</u>
Net cash inflow from management of liquid resources		
	2009	2008
	£	£
Financing		
Issue of ordinary shares	15,000	181,000
	<u>15,000</u>	<u>181,000</u>

21. ANALYSIS OF CHANGES IN NET FUNDS

	1 January	Cash flow	Other	31 December
	2009		non-cash	2009
	£	£	changes	£
Cash at bank and in hand	3,737,124	2,503,387	-	6,240,511
Liquid resources:				
Current asset investments	1,791,767	(1,049,169)	250,412	993,010
Net funds	<u>5,528,891</u>	<u>1,454,218</u>	<u>250,412</u>	<u>7,233,521</u>

22. CONTROLLING PARTY

In the opinion of the directors there is no ultimate controlling party