Black Horse Finance Management Limited

Directors' report and financial statements
For the year ended 31 December 2012

Registered office

25 Gresham Street
London
EC2V 7HN

Registered number

3961947

Directors

J Pfaudler
C K Sarfo-Agyare
C Sutton

Member of Lloyds Banking Group

Directors' report

For the year ended 31 December 2012

The directors present their report and the audited financial statements of Black Horse Finance Management Limited ("the Company") for the year ended 31 December 2012

Business review

Principal activities

The Company is a limited company incorporated and domiciled in England and Wales (registered number 3961947)

The principal activity of the Company is to act as a holding company for its subsidiaries The Company borrows from its immediate parent company, Lloyds TSB Asset Finance Division Limited, to provide funding to its subsidiaries It has not traded other than in this capacity during the year

The Company's results for the year show a Loss before tax of £1,994,000 (2011 profit of £2,169,000) which comprises Impairment and pre-liquidation dividends of a number of previously dormant subsidiary undertakings

The Company is funded entirely by other companies within the Lloyds Banking Group ("the Group")

Future outlook

There are no expected changes in the nature and extent of the Company's operations

Principal risks and uncertainties

From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks of the Lloyds TSB Asset Finance Division ("the Division") and are not managed separately for the Company Further details of the Company's and Division's risk management policy are contained in note 2 to the financial statements

Key performance indicators ("KPIs")

Given the straightforward nature of the business, the Company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business KPIs are monitored and reported at a divisional level and are disclosed in the financial statements for Black Horse Limited, which is the main trading company in the Division

Policy and practice on payment of suppliers

The Company follows "The Prompt Payment Code" published by the Department for Business Innovation and Skills (BIS) regarding the making of payments to suppliers Information about the "Prompt Payment Code" may be obtained by visiting www promptpaymentcode org uk

The Company's policy is to agree terms of payment with suppliers and these normally provide for settlement within 30 days after the date of the invoice, except where other arrangements have been negotiated

It is the policy of the Company to abide by the agreed terms of payment, provided the supplier performs according to the terms of the contract

As no amounts are owed to trade creditors as at 31 December 2012, the number of days required to be shown in this report, to comply with the provisions of the Companies Act 2006, is nil (2011 nil)

Dividends

No dividends were paid or proposed during the year ended 31 December 2012 (2011 £nil)

Going concern

The directors are satisfied that it is the intention of Lloyds Banking Group plc that its subsidiaries, including the Company, will continue to have access to adequate liquidity and capital resources for the foreseeable future and, accordingly, the financial statements have been prepared on a going concern basis

Directors' report (continued)

For the year ended 31 December 2012

Directors

The names of the current directors are shown on the cover

The following changes have taken place during the year or since the year end

D J S Oldfield	(resigned 21 November 2012)
C K Sarfo-Agyare	(appointed 21 November 2012)
J Pfaudler	(appointed 21 November 2012)

Directors' indemnities

The directors have the benefit of a deed of indemnity which constitutes a "qualifying third party indemnity provision" These deeds are in force during the whole of the financial year (or from the date of appointment in respect of directors who join the board during the financial year) The indemnities remain in force at the date of signing the financial statements Deeds for existing directors are available for inspection at the registered office of Lloyds Banking Group plc

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year Under that law the directors have prepared the financial statements in accordance with International Financial Reporting Standards ("IFRSs") 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 whether applicable IFRSs as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements, and
- 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

Disclosure of information to auditors

Each director in office at the date of this report confirms that

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the 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

This confirmation is given, and should be interpreted, in accordance with the provisions of section 418 of the Companies Act 2006

Independent auditors

PricewaterhouseCoopers LLP are deemed to be re-appointed as auditors under section 487(2) of the Companies Act 2006

On behalf of the board

C Sutton
Director

18 July 2013

Independent auditors' report to the member of Black Horse Finance Management Limited

We have audited the financial statements of Black Horse Finance Management Limited for the year ended 31 December 2012 which comprise the Statement of comprehensive income, the Balance sheet, the Statement of changes in equity, the Cash flow statement 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

Respective responsibilities of directors and auditors

As explained more fully in the Statement of directors' responsibilities set out on page 2, 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

This report, including the opinions, has been prepared for and only for the Company's member as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing

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 and financial statements 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 December 2012 and of its loss and cash flows 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 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, 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

Neil Rummings (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
One Kingsway
Cardiff
CF10 3PW

18 July 2013

Statement of comprehensive income

For the year ended 31 December 2012

	Note	2012 £'000	2011 £'000
Dividend income	14	**31**	962
(Losses)/Gains on liquidations	4	**(310)**	1,879
Impairment of Amounts due from group undertakings	5	**(1,438)**	(672)
Impairment losses on Investments in subsidiary undertakings	11	**(277)**	-
(Loss)/profit before tax		**(1,994)**	2,169
Taxation	9	**-**	-
(Loss)/profit for the year attributable to owners of the parent, being total comprehensive (expense)/income		**(1,994)**	2,169

The notes on pages 8 to 14 are an integral part of these financial statements

Balance sheet
As at 31 December 2012

	Note	2012 £'000	2011 £'000
ASSETS			
Other current assets	10	**21,788**	21,788
Investment in subsidiary undertakings	11	**82,159**	82,746
Total assets		**103,947**	104,534
LIABILITIES			
Borrowed funds	12	**134,130**	132,723
Total liabilities		**134,130**	132,723
EQUITY			
Share capital	13	**-**	-
Retained losses		**(30,183)**	(28,189)
Total equity		**(30,183)**	(28,189)
Total equity and liabilities		**103,947**	104,534

The notes on pages 8 to 14 are an integral part of these financial statements

The financial statements on pages 4 to 14 were approved by the board of directors and were signed on its behalf by

C Sutton
Director

18 July 2013

Statement of changes in equity

For the year ended 31 December 2012

	Share capital £'000	Retained losses £'000	Total £'000
At 1 January 2011	-	(30,358)	(30,358)
Profit for the year being total comprehensive income	-	2,169	2,169
At 31 December 2011	**-**	**(28,189)**	**(28,189)**
Loss for the year being total comprehensive expense	-	(1,994)	(1,994)
At 31 December 2012	**-**	**(30,183)**	**(30,183)**

The notes on pages 8 to 14 are an integral part of these financial statements

Cash flow statement

For the year ended 31 December 2012

	2012 £'000	2011 £'000
Cash flows generated from operating activities		
(Loss)/profit before tax	**(1,994)**	2,169
Adjustments for		
Dividend income	**(31)**	(962)
Losses/(Gains) on liquidations	**310**	(1,879)
Impairment of Amounts due from group undertakings	**1,438**	672
Impairment losses on Investments in subsidiary undertakings	**277**	-
Net cash generated from operating activities	**-**	-
Cash flows from investing activities		
Dividends received	**31**	962
Acquisition of investment in subsidiary undertaking	**-**	(710)
Net cash from investing activities	**31**	252
Cash flows used in financing activities		
Repayment of borrowings with group undertakings	**(31)**	(252)
Net cash used in financing activities	**(31)**	(252)
Net increase in cash and cash equivalents	**-**	-
Cash and cash equivalents at beginning of year	**-**	-

The notes on pages 8 to 14 are an integral part of these financial statements

Notes to the financial statements
For the year ended 31 December 2012

1. Accounting policies

1.1 Basis of preparation

The principal accounting policies applied in the preparation of these financial statements are set out below These policies have been consistently applied to both years presented, unless otherwise stated

These financial statements have been prepared in accordance with applicable IFRSs as adopted by the European Union and the Companies Act 2006 applicable to companies reporting under IFRSs IFRSs comprise accounting standards prefixed IFRS issued by the International Accounting Standards Board ("IASB") and those prefixed IAS issued by the IASB's predecessor body as well as interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC") and its predecessor body

There are no new IFRS pronouncements relevant to the Company requiring adoption in these financial statements

Details of those pronouncements which will be relevant to the Company but which were not effective at 31 December 2012 and which have not been applied in preparing these financial statements are given in note 18

These separate financial statements contain information about the Company and do not contain consolidated financial information as the parent of a group The Company has taken advantage of the exemption under IAS 27 Consolidated and Separate Financial Statements and Section 400 of Companies Act 2006 from the requirement to prepare consolidated financial statements The Company and its subsidiaries are included in the consolidated financial statements of the Company's ultimate parent company

The financial statements have been prepared on a going concern basis as detailed in the Directors' report and under the historical cost convention

1 2 Income recognition

Dividend income is recognised in the period in which it is received

1 3 Financial assets and liabilities

Financial assets comprise Other current assets Financial liabilities comprise Borrowed funds

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument Financial assets and liabilities are derecognised when the rights to receive cash flows, or obligations to pay cash flows, have expired

Financial assets and liabilities are all non-interest bearing and are stated at amortised cost

The carrying value of all financial assets is reviewed for impairment whenever events or circumstances indicate that the carrying amount may not be recoverable

1 4 Cash and cash equivalents

For the purposes of the Cash flow statement, Cash and cash equivalents comprise balances with less than three months' maturity

1 5 Taxation

Current tax which is payable or receivable on taxable profits or losses is recognised as an expense or credit in the period in which the profits or losses arise

1 6 Investment in subsidiary undertakings

Investment in subsidiary undertakings is stated in the Balance sheet at cost less any provision for impairment

Investment in subsidiary undertakings is reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable An impairment loss is recognised in the Statement of comprehensive income for the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of an asset's net realisable value and value in use For the purposes of assessing impairment, investments are grouped at the lowest level at which cash flows are separately monitored by management

Notes to the financial statements (continued)
For the year ended 31 December 2012

2. Risk management policy

The Company's operations do not expose it to any significant credit risk, liquidity risk, interest rate risk, market risk, foreign exchange risk, or business risk as its transactions are substantially intra-group, and all borrowings and lending are non-interest bearing Extensive borrowing facilities are available from within the Group Responsibility for the control of overall risk lies with the board of directors, operating within a management framework established by the immediate parent company, Lloyds TSB Asset Finance Division Limited, and the ultimate parent, Lloyds Banking Group plc

3. Critical accounting estimates and judgements in applying accounting policies

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period Although those estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates

Impairment of financial assets

The identification of impairment and the determination of recoverable amounts on financial assets is an inherently uncertain process involving various assumptions and factors, including the circumstances and financial condition of the counterparty, expected future cash flows and the rate used to discount the estimated future cash flows

Impairment of Investment in subsidiary

For the purpose of assessing impairment of Investment in subsidiary undertakings, value in use is calculated by using a discounted cash flow valuation technique This calculation uses the projections of cash flows based on management's plans, taking into account of the past experience and expected future market conditions Management's assumptions are applied when determining the rate used to discount the estimated future cash flows

4. (Losses)/Gains on liquidations

	2012	2011
	£'000	£'000
Carrying value of Investments in subsidiary undertakings (see note 11)	**(310)**	(23,452)
Liquidating distributions received (see note 14)	**-**	25,331
	(310)	1,879

5. Impairment of Amounts due from group undertakings

	2012	2011
	£'000	£'000
Debt waivers (see note 14)	**-**	672
Impairment of Amounts due from/to group undertakings (see note 14)	**1,438**	-
	1,438	**672**

6. Auditor remuneration

Fees payable to the Company's auditors for the audit of the financial statements of £1,000 (2011 £1,000) have been borne by a fellow group undertaking and are not recharged to the Company Accounting and administration services are provided by a fellow subsidiary undertaking and are not recharged to the Company

7. Staff costs

The Company did not employ any persons during the year (2011 none)

8. Directors' emoluments

No director received any fees or emoluments during the year (2011 £nil) The directors are employed by other companies within the Group and consider that their services to the Company are incidental to their other responsibilities within the Group (see also note 14)

Notes to the financial statements (continued)

For the year ended 31 December 2012

9. Taxation

a) Analysis of charge for the year

	2012 £'000	2011 £'000
Current tax charge	-	-

Corporation tax is calculated at a rate of 24 5% (2011 26 5%) of the taxable (loss)/profit for the year

b) Factors affecting the tax charge for the year

The tax on the Company's (Loss)/Profit before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to (losses)/profits of the Company as follows

	2012 £'000	2011 £'000
(Loss)/profit before tax	**(1,994)**	2,169
Tax (credit)/charge thereon at UK corporation tax rate of 24 5% (2011 26 5%)	**(489)**	575
Factors affecting (credit)/charge		
- Non-allowable and non-taxable items	**481**	178
- Non taxable group dividend income	**8**	(255)
- Accounting gains giving rise to capital losses	-	(498)
Tax on (loss)/profit on ordinary activities	-	-
Effective rate	**0 0%**	0 0%

On 21 March 2012, the Government announced a reduction in the rate of corporation tax to 24% with effect from 1 April 2012 This reduction was enacted under the Provisional Collection of Taxes Act 1968 on 26 March 2012 In addition, the Finance Act 2012, which passed into law on 3 July 2012, included legislation to reduce the main rate of corporation tax from 24% to 23% with effect from 1 April 2013

On 5 December 2012, the Government announced a further reduction in the main rate of corporation tax to 21% from 1 April 2014 In addition, on 20 March 2013 the Government announced a further reduction in the main rate of corporation tax to 20% from 1 April 2015

10. Other current assets

	2012 £'000	2011 £'000
Amounts due from group undertakings (see note 14)	**21,788**	21,788

Amounts due from group undertakings are unsecured, non-interest bearing and repayable on demand

Notes to the financial statements (continued)
For the year ended 31 December 2012

11. Investment in subsidiary undertakings

	2012 £'000	2011 £'000
Cost		
Cost brought forward	**166,301**	192,203
Acquisition	**-**	710
Liquidations	**(310)**	(26,612)
Cost at 31 December	**165,991**	166,301
Provision for impairment		
Provision brought forward	**(83,555)**	(86,715)
Liquidations	**-**	3,160
Charge for the year	**(277)**	-
Provision at 31 December	**(83,832)**	(83,555)
Carrying value of investments at 31 December	**82,159**	82,746

The directors consider that to give full particulars of all subsidiary undertakings would lead to a statement of excessive length The principal trading subsidiary undertakings at 31 December 2012 and 31 December 2011, listed below, are all incorporated in England and Wales

Subsidiary undertakings	Company	Principal activities
Enterprise Car Finance Limited	50 000%	Instalment credit
MCL Finance Limited	50 010%	Instalment credit

The Company's interest in each of these entities is in the form of ordinary share capital

12. Borrowed funds

	2012 £'000	2011 £'000
Amounts due to group undertakings (see note 14)	**134,130**	132,723

Amounts due to group undertakings are unsecured, non-interest bearing and repayable on demand, although there is no expectation that such a demand would be made

13. Share capital

	2012 £'000	2011 £'000
Allotted, issued and fully paid		
2 ordinary shares of £1 each	**-**	-

During the year, as permitted by the Companies Act 2006, the company removed references to authorised share capital from its articles of association

The immediate parent company is Lloyds TSB Asset Finance Division Limited (incorporated in England and Wales) The company regarded by the directors as the ultimate parent company is Lloyds Banking Group plc (incorporated in Scotland), which is also the parent undertaking of the largest group of undertakings for which group accounts are drawn up and of which the Company is a member Lloyds TSB Bank plc is the parent undertaking of the smallest such group of undertakings Copies of the accounts of both companies may be obtained from Group Secretariat, Lloyds Banking Group plc, 25 Gresham Street, London, EC2V 7HN

Notes to the financial statements (continued)
For the year ended 31 December 2012

14. Related party transactions

The Company is controlled by Lloyds TSB Asset Finance Division Limited A number of transactions are entered into with related parties in the normal course of business These include loan and fee transactions A summary of the outstanding balances at the year end and the related income and expense for the year are set out below

	2012 £'000	2011 £'000
Amounts due from group undertakings		
ACL Autolease Holdings Limited	**18,786**	18,786
Lloyds UDT Limited	**3,002**	3,002
Total Amounts due from group undertakings (see note 10)	**21,788**	21,788
Amounts due to group undertakings		
Lloyds TSB Asset Finance Division Limited	**35,915**	36,880
Dormant subsidiary undertakings	**98,215**	95,843
Total Amounts due to group undertakings (see note 12)	**134,130**	132,723
Dividend income		
Autocover Limited	**-**	333
Autolease Fleet Limited	**12**	-
Autolease Finance Limited	**9**	-
Chartered Leasing Limited	**-**	305
IFS Contract Purchase Limited	**-**	65
Standard Finance Limited	**-**	195
Other subsidiary undertakings	**10**	64
Total Dividend income	**31**	962
Debt waivers		
Derby Lodge Limited	**-**	669
E H L B Rentals Limited	**-**	3
Total Debt waivers (see note 5)	**-**	672
Liquidating distributions received		
Cardiff Automobile Receivables Securitisation (UK) No 2 Limited	**-**	50
Cardiff Automobile Receivables Securitisation (UK) No 3 Limited	**-**	50
Cardiff Automobile Receivables Securitisation (UK) No 4 Limited	**-**	50
Chartercard Limited	**-**	6,379
Chartered Finance Limited	**-**	16,658
Chartered Leasing Limited	**-**	250
CTL Limited	**-**	328
Galaxy Spv Limited	**-**	50
SCT Finance Limited	**-**	110
Standard Finance Limited	**-**	500
VOCS Finance Limited	**-**	714
Wigton Finance Limited	**-**	180
Other subsidiary undertakings	**-**	12
Total liquidating distributions received	**-**	25,331

14. Related party transactions (continued)

	2012 £'000	2011 £'000
Impairment on Amounts due from/to group undertakings		
Chartercard Limited	**2,273**	-
Derby Lodge Limited	**(669)**	-
Wigton Finance Limited	**(185)**	-
Other	**19**	-
Total Impairment on Amounts due from/to group undertakings (see note 5)	**1,438**	-

The above balances are unsecured in nature and are expected to be settled in cash or by cash equivalents Transactions in the year are those reflected through the Statement of comprehensive income

Key management personnel

Key management personnel are those persons having authority and responsibility for planning and controlling the activities of the Company Accordingly, key management comprise the directors of the Company and the members of the Lloyds Banking Group plc board There were no transactions between the Company and key management personnel during the current or preceding year Key management personnel are employed by other companies within the Group and consider that their services to the Company are incidental to their other activities within the Group

UK Government

In January 2009, the UK Government through HM Treasury became a related party of Lloyds Banking Group plc, the Company's ultimate parent company, following its subscription for ordinary shares issued under a placing and open offer As at 31 December 2012, HM Treasury held a 39 2 per cent (2011 40 2 per cent) interest in Lloyds Banking Group plc's ordinary share capital and consequently HM Treasury remained a related party of the Company during the year ended 31 December 2012

15. Capital disclosures

The Company's objectives when managing capital are to safeguard the entity's ability to continue as a going concern, provide an adequate return to its shareholders through pricing products and services commensurately with the level of risk and, indirectly, to support the Group's regulatory capital requirements

The Company's parent manages the Company's capital structure and advises the board of directors to consider making adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets In order to maintain or adjust the capital structure, the board of directors may adjust the amount of dividends to be paid to shareholders, return capital to shareholders, issue new shares, or sell assets

The Company's capital comprises all components of equity, movements in which appear in the Statement of changes in equity The Company receives its funding requirements from its fellow group undertakings and does not raise funding externally

16. Contingent liabilities and capital commitments

There were no contingent liabilities or contracted capital commitments at the balance sheet date (2011 £nil)

17. Post balance sheet events

There are no post balance sheet events requiring disclosure in these financial statements

Notes to the financial statements (continued)
For the year ended 31 December 2012

18. Future developments

The following pronouncements will be relevant to the Company but were not effective at 31 December 2012 and have not been applied in preparing these financial statements

Pronouncement	Nature of change	Effective date
Improvements to IFRSs (issued May 2012)	Sets out minor amendments to IFRS standards as part of the annual improvements process Most amendments clarified existing practice	Annual periods beginning on or after 1 January 2013
IFRS 10 Consolidated Financial Statements	Establishes principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities	Annual periods beginning on or after 1 January 2014
IFRS 12 Disclosure of Interests in Other Entities	Sets out disclosure requirements for all forms of interests in other entities, including subsidiaries, joint arrangements, associates and unconsolidated structured entities	Annual periods beginning on or after 1 January 2014
IFRS 13 Fair value Measurement	Sets out a single IFRS framework for the measurement of fair value and the related disclosure requirements	Annual periods beginning on or after 1 January 2013
IAS 27 Separate Financial Statements (as amended in 2011)	Sets standards to be applied in accounting for investments in subsidiaries, joint ventures and associates when an entity elects, or is required by local regulations, to present separate (non-consolidated) financial statements Consolidation requirements previously forming part of IAS 27 (2008) have been revised and are now contained in IFRS 10	Annual periods beginning on or after 1 January 2014
IFRS 9 Financial Instruments Classification and Measurement [1&2]	Replaces those parts of IAS 39 Financial Instruments Recognition and Measurement relating to the classification, measurement and derecognition of financial assets and liabilities Requires financial assets to be classified into two measurement categories, fair value and amortised cost, on the basis of the objectives of the entity's business model for managing its financial assets and the contractual cash flow characteristics of the instrument The available-for-sale financial asset and held-to-maturity categories in the existing IAS 39 will be eliminated The requirements for financial liabilities and derecognition are broadly unchanged from IAS 39	Annual periods beginning on or after 1 January 2015

1 At the date of this report this pronouncement is awaiting EU endorsement

2 IFRS 9 is the initial stage of the project to replace IAS 39 Future stages are expected to result in amendments to IFRS 9 to deal with changes to the impairment of financial assets measured at amortised cost and hedge accounting Until all stages of the replacement project are complete it is not possible to determine the overall impact on the financial statements of the replacement of IAS 39

The full impact of these pronouncements is being assessed by the Company However, the initial view is that none of these pronouncements are expected to cause any material adjustments to the reported numbers in the financial statements