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**Iveagh Limited (formerly  
Arundel Iveagh Investment  
Management Limited)**

Report and Accounts  
*31 December 2007*

**Rees Pollock  
Chartered Accountants**



OFFICERS AND PROFESSIONAL ADVISERS

<b>The Board of Directors</b>	P Ross P Mack The Hon H Channon (non-executive) The Hon G Fanshawe (non-executive) The Earl of Iveagh (non-executive)
<b>Company Secretary</b>	S L Collins
<b>Registered Office</b>	Suite 11 18c High Street Battle East Sussex TN33 0AE
<b>Auditor</b>	Rees Pollock 35 New Bridge Street London EC4V 6BW
<b>Bankers</b>	Barclays Bank Plc 17-19 Devonshire Road Bexhill-on-Sea East Sussex TN40 1AW
<b>Registered Number</b>	4243473

## DIRECTORS' REPORT

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

### Principal activities and business review

The company's principal activity during the period was the provision of investment management advice

The company expanded considerably during this period and more than doubled the assets under its discretionary management. It is expected that the company will continue to attract new clients and further assets throughout 2008 and beyond

### Results and dividends

The loss for the year, after taxation, amounted to £43,682. The directors have not recommended a dividend

### Directors

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

P Ross

P Mack

The Hon H Channon (non-executive)

The Hon G Fanshawe (non-executive)

The Earl of Iveagh (non-executive)

The Hon H Channon was appointed as a non-executive director on 6 March 2007

The Hon G Fanshawe was appointed as a non-executive director on 6 March 2007

Lord A E Iveagh was appointed as a non-executive director on 6 March 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 profit or loss of the company for that year

In preparing those accounts, the directors are required to select suitable accounting policies, as described on pages 8 to 9, 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 company 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

Iveagh Limited (formerly Arundel Iveagh Investment  
Management Limited)

**DIRECTORS' REPORT** *(continued)*

**Auditor**

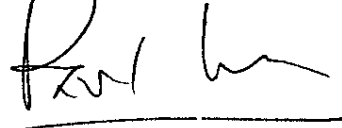
Each of the persons who is a director at the date of approval of this annual report confirms that

- so far as the director is aware, there is no relevant audit information of which the company'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

A resolution to re-appoint Rees Pollock as auditor for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985

ON BEHALF OF THE BOARD

A handwritten signature in black ink, appearing to read 'P Mack', is written over a horizontal line.

P Mack  
Director

24 April 2008



# REESPOLLOCK

*Chartered Accountants*

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

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF IVEAGH LIMITED (FORMERLY ARUNDEL IVEAGH INVESTMENT MANAGEMENT LIMITED)**

We have audited the accounts of Iveagh Limited (formerly Arundel Iveagh Investment Management Limited) for the year ended 31 December 2007 on pages 5 to 15 which have been prepared on the basis of the accounting policies set out on pages 8 to 9

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 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 company's affairs as at 31 December 2007 and of its loss 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  
25 April 2008

Iveagh Limited (formerly Arundel Iveagh Investment  
Management Limited)

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

	Note	Year to 31 Dec 07 £	Period from 29 Dec 05 to 31 Dec 06 £
<b>TURNOVER</b>	<b>2</b>	2,215,517	1,668,221
Administrative expenses		2,254,226	1,508,846
<b>OPERATING (LOSS)/PROFIT</b>	<b>3</b>	(38,709)	159,375
Interest receivable		1,890	3,042
Interest payable and similar charges	<b>6</b>	–	(1,301)
<b>(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		(36,819)	161,116
Tax on (loss)/profit on ordinary activities	<b>7</b>	6,863	47,318
<b>(LOSS)/PROFIT FOR THE FINANCIAL YEAR</b>		(43,682)	113,798

All of the activities of the company are classed as continuing

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

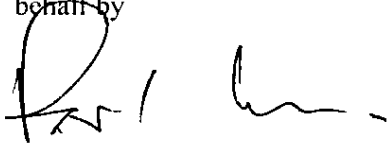
The notes on pages 8 to 15 form part of these accounts

Iveagh Limited (formerly Arundel Iveagh Investment Management Limited)

BALANCE SHEET  
at 31 December 2007

	Note	£	2007 £	2006 £
<b>FIXED ASSETS</b>				
Tangible assets	8		104,159	104,064
<b>CURRENT ASSETS</b>				
Debtors	9	494,922		437,737
Investments	10	79,008		110,353
Cash at bank		86,351		74,343
		660,281		622,433
<b>CREDITORS: amounts falling due within one year</b>	11	273,549		192,725
<b>NET CURRENT ASSETS</b>			386,732	429,708
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			490,891	533,772
<b>PROVISIONS FOR LIABILITIES</b>				
Deferred taxation	12		9,120	8,319
			481,771	525,453
<b>CAPITAL AND RESERVES</b>				
Called-up equity share capital	15		300,000	300,000
Share premium account	16		61,883	61,883
Profit and loss account	17		119,888	163,570
<b>SHAREHOLDERS' FUNDS</b>	18		481,771	525,453

The accounts on pages 5 to 15 were approved by the board on 24 April 2008 and are signed on its behalf by



P Mack  
Director

The notes on pages 8 to 15 form part of these accounts

Iveagh Limited (formerly Arundel Iveagh Investment Management Limited)

**CASH FLOW STATEMENT**

for the year ended 31 December 2007

			<b>Year to</b> <b>31 Dec 07</b>	<b>Period from</b> <b>29 Dec 05 to</b> <b>31 Dec 06</b>
	<b>Note</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES</b>	<b>19</b>		82,136	(94,160)
<b>RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>				
Interest received		1,890		3,042
Interest paid		—		(1,195)
Interest element of hire purchase		—		(106)
<b>NET CASH INFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>			1,890	1,741
<b>TAXATION</b>			(43,760)	(11,670)
<b>CAPITAL EXPENDITURE</b>				
Payments to acquire tangible fixed assets		(28,258)		(79,392)
<b>NET CASH OUTFLOW FROM CAPITAL EXPENDITURE</b>			(28,258)	(79,392)
<b>CASH INFLOW/(OUTFLOW) BEFORE FINANCING</b>			12,008	(183,481)
<b>FINANCING</b>				
Issue of equity share capital		—		100,000
Capital element of hire purchase		—		(1,323)
<b>NET CASH INFLOW FROM FINANCING</b>			—	98,677
<b>INCREASE/(DECREASE) IN CASH</b>	<b>20</b>		12,008	(84,804)

The notes on pages 8 to 15 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

**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

**Fixed assets**

All fixed assets are initially recorded at cost

**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

Leasehold Property	-	5 years
Fixtures & Fittings	-	7 years
Motor Vehicles	-	5 years
Equipment	-	5 years

**Hire purchase agreements**

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account at a constant rate of charge on the balance of capital repayments outstanding.

**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. All exchange differences are taken to the profit and loss account.

NOTES TO THE ACCOUNTS

for the year ended 31 December 2007

1. ACCOUNTING POLICIES *(continued)*

**Financial instruments**

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

2. TURNOVER

The turnover and loss before tax are attributable to the one principal activity of the company. An analysis of turnover is given below.

	Year to 31 Dec 07 £	Period from 29 Dec 05 to 31 Dec 06 £
United Kingdom	<u>2,215,517</u>	<u>1,668,221</u>

3. OPERATING (LOSS)/PROFIT

Operating (loss)/profit is stated after charging

	Year to 31 Dec 07 £	Period from 29 Dec 05 to 31 Dec 06 £
Depreciation of owned fixed assets	28,163	18,699
Auditor's remuneration		
- as auditor	13,100	10,500
- for other services	1,250	6,250
Operating lease costs		
- land and buildings	152,374	129,132
Net loss on foreign currency translation	<u>1,886</u>	<u>30,380</u>

NOTES TO THE ACCOUNTS  
for the year ended 31 December 2007

4. PARTICULARS OF EMPLOYEES

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

	Year to 31 Dec 07	Period from 29 Dec 05 to 31 Dec 06
	No	No
Number of administrative staff	4	2
Number of sales & marketing staff	2	1
Number of fund management staff	6	6
	<u>12</u>	<u>9</u>

The aggregate payroll costs of the above were

	Year to 31 Dec 07	Period from 29 Dec 05 to 31 Dec 06
	£	£
Wages and salaries	1,132,071	769,203
Social security costs	131,842	86,357
	<u>1,263,913</u>	<u>855,560</u>

5. DIRECTORS' EMOLUMENTS

	Year to 31 Dec 07	Period from 29 Dec 05 to 31 Dec 06
	£	£
Emoluments	<u>370,551</u>	<u>246,819</u>

Emoluments of highest paid director

	Year to 31 Dec 07	Period from 29 Dec 05 to 31 Dec 06
	£	£
Total emoluments (excluding pension contributions)	<u>186,946</u>	<u>126,419</u>

6. INTEREST PAYABLE AND SIMILAR CHARGES

	Year to 31 Dec 07	Period from 29 Dec 05 to 31 Dec 06
	£	£
Interest payable on bank borrowing	—	1,195
Finance charges	—	106
	<u>—</u>	<u>1,301</u>

NOTES TO THE ACCOUNTS  
for the year ended 31 December 2007

7. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	Year to 31 Dec 07 £	Period from 29 Dec 05 to 31 Dec 06 £
<b>Current tax</b>		
In respect of the year		
UK Corporation tax based on the results for the year at 19 75% (2006 - 30%)	4,901	42,599
Over/under provision in prior year	1,161	—
Total current tax	6,062	42,599
<b>Deferred tax</b>		
Origination and reversal of timing differences	801	4,719
Tax on (loss)/profit on ordinary activities	6,863	47,318

(b) Factors affecting current tax charge

The tax assessed on the (loss)/profit on ordinary activities for the year differs from the standard rate of corporation tax in the UK of 19 75% (2006 - 30%)

	Year to 31 Dec 07 £	Period from 29 Dec 05 to 31 Dec 06 £
(Loss)/profit on ordinary activities before taxation	(36,819)	161,116
Profit on ordinary activities multiplied by rate of tax	(7,272)	48,335
Expenses not deductible for tax purposes	10,733	17,186
Capital allowances for the period in excess of depreciation	1,440	(7,450)
Marginal relief	—	(15,472)
Under provision in prior year	1,161	—
Total current tax (note 7(a))	6,062	42,599

NOTES TO THE ACCOUNTS

for the year ended 31 December 2007

8. TANGIBLE FIXED ASSETS

	Leasehold Property £	Fixtures & Fittings £	Motor Vehicles £	Equipment £	Total £
Cost					
At 1 January 2007	14,159	30,423	4,699	85,159	134,440
Additions	7,050	7,916	—	13,292	28,258
At 31 December 2007	<u>21,209</u>	<u>38,339</u>	<u>4,699</u>	<u>98,451</u>	<u>162,698</u>
Depreciation					
At 1 January 2007	1,780	3,714	2,976	21,906	30,376
Charge for the year	3,397	5,274	940	18,552	28,163
At 31 December 2007	<u>5,177</u>	<u>8,988</u>	<u>3,916</u>	<u>40,458</u>	<u>58,539</u>
Net book value					
At 31 December 2007	<u>16,032</u>	<u>29,351</u>	<u>783</u>	<u>57,993</u>	<u>104,159</u>
At 31 December 2006	<u>12,379</u>	<u>26,709</u>	<u>1,723</u>	<u>63,253</u>	<u>104,064</u>

9. DEBTORS

	2007 £	2006 £
Trade debtors	133,614	18,736
Amounts owed by undertakings in which the company has a participating interest	21,099	23,274
Other debtors	58,943	67,411
Prepayments and accrued income	281,266	328,316
	<u>494,922</u>	<u>437,737</u>

10. INVESTMENTS

	2007 £	2006 £
Other investments	<u>79,008</u>	<u>110,353</u>

Other investments represents an investment in one of the funds managed by the company. The investment is stated at market value.

NOTES TO THE ACCOUNTS

for the year ended 31 December 2007

11. CREDITORS amounts falling due within one year

	2007	2006
	£	£
Trade creditors	93,987	28,418
Corporation tax	4,901	42,599
Other taxation and social security	90,524	43,509
Accruals and deferred income	84,137	78,199
	<u>273,549</u>	<u>192,725</u>

12. DEFERRED TAXATION

The movement in the deferred taxation provision during the year was

	Year to 31 Dec 07	Period from 29 Dec 05 to 31 Dec 06
	£	£
Provision brought forward	8,319	3,600
Profit and loss account movement arising during the year	801	4,719
Provision carried forward	<u>9,120</u>	<u>8,319</u>

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

	2007	2006
	£	£
Excess of taxation allowances over depreciation on fixed assets	9,120	8,319
	<u>9,120</u>	<u>8,319</u>

13. COMMITMENTS UNDER OPERATING LEASES

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

	Land & Buildings 2007	2006
	£	£
Operating leases which expire Within 2 to 5 years	<u>150,000</u>	<u>150,000</u>

NOTES TO THE ACCOUNTS

for the year ended 31 December 2007

**14. RELATED PARTY TRANSACTIONS**

Included within turnover is an amount of £327,870 (2006 £156,067) received from Arundel Iveagh Holdings Limited, a company incorporated in Bermuda and under common control, for investment advisory services provided. The company also recharged expenses of £9,480 to Arundel Iveagh Holdings Limited. An amount of £21,009 (2006 £23,274) in respect of a loan made to Arundel Iveagh Holdings Limited was outstanding at the year end.

Included within turnover is an amount of £662,688 (2006 £711,409) receivable from Arundel Emerging Ventures (Bermuda) Limited, a company incorporated in Bermuda and under common control, for investment advisory services provided. An amount of £97,988 (2006 £129,266) was outstanding at the year end.

**15. SHARE CAPITAL**

Authorised share capital

	2007 £	2006 £
300,000 Ordinary shares of £1 each	<u>300,000</u>	<u>300,000</u>

Allotted, called up and fully paid

	2007 No	£	2006 No	£
Ordinary shares of £1 each	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>
Equity shares				
Ordinary shares of £1 each	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>

**16. SHARE PREMIUM ACCOUNT**

There was no movement on the share premium account during the financial year.

**17. PROFIT AND LOSS ACCOUNT**

	Year to 31 Dec 07 £	Period from 29 Dec 05 to 31 Dec 06 £
Balance brought forward	163,570	23,387
(Loss)/profit for the financial year	(43,682)	113,798
Equity dividends paid (FRS 25)	—	26,385
Balance carried forward	<u>119,888</u>	<u>163,570</u>

NOTES TO THE ACCOUNTS

for the year ended 31 December 2007

18. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2007 £	2006 £
(Loss)/profit for the financial year	(43,682)	113,798
New ordinary share capital subscribed	—	100,000
Equity dividends paid (FRS 25)	—	26,385
Net (reduction)/addition to shareholders' funds	(43,682)	240,183
Opening shareholders' funds	525,453	285,270
Closing shareholders' funds	<u>481,771</u>	<u>525,453</u>

19. RECONCILIATION OF OPERATING (LOSS)/PROFIT TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES

	Year to 31 Dec 07 £	Period from 29 Dec 05 to 31 Dec 06 £
Operating (loss)/profit	(38,709)	159,375
Depreciation	28,163	18,699
Increase in debtors	(25,840)	(189,689)
Increase/(decrease) in creditors	118,522	(82,545)
Net cash inflow/(outflow) from operating activities	<u>82,136</u>	<u>(94,160)</u>

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

	2007 £	2006 £
Increase/(decrease) in cash in the period	12,008	(84,804)
Cash outflow in respect of hire purchase	—	1,323
	<u>12,008</u>	<u>(83,481)</u>
Change in net funds	12,008	(83,481)
Net funds at 1 January 2007	74,343	157,824
Net funds at 31 December 2007	<u>86,351</u>	<u>74,343</u>

21. ANALYSIS OF CHANGES IN NET FUNDS

	At 1 Jan 2007 £	Cash flows £	At 31 Dec 2007 £
Net cash			
Cash in hand and at bank	74,343	12,008	86,351
Net funds	<u>74,343</u>	<u>12,008</u>	<u>86,351</u>