

COMPANY NO: 5588630

ACHERON CAPITAL LIMITED

ANNUAL REPORT

◆ *Year ended 31 December 2007* ◆

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ACHERON CAPITAL LIMITED

COMPANY INFORMATION

Directors	Jean Michel Paul Peter Gerald Swete
Secretary	Jean Michel Paul
Registered office	20-22 Bedford Row London WC1R 4JS
Registered number	5588630
Auditors	Rees Pollock Chartered Accountants 35 New Bridge Street London EC4V 6BW
Bankers	Coutts & Co 440 Strand London WC2R 0QS

REPORT OF THE DIRECTORS

The directors present their report and audited financial statements for the year ended 31 December 2007. Comparative figures are provided for the period from 11 October 2005 (date of incorporation) to 31 December 2006.

Principal activities

The principal activity of the company is the provision of investment management and advisory services.

Results and dividends

The profit for the year after tax but before dividends amounted to £22,049 (2006: £11,952). During the year the company paid a dividend of £11,952 (2006: £nil). The directors do not propose to pay a final dividend.

Business review and future developments

The company provides investment management services to one company incorporated in Ireland and one trust established under the laws of Massachusetts, USA.

Growth in assets under management is a good indicator of the company's success as an investment manager. Growth occurs as investment returns organically increase the assets managed by the company or through the company's reputation as more investors are attracted to invest. At 31 December 2007 the company had approximately \$45.7m assets under management (2006: \$27m).

The directors expect continued growth in both assets under management and profitability during the forthcoming year.

Directors and their interests

The directors and secretary of the company at 31 December 2007 are set out on page 1.

On 25 May 2007 Mr G Gennotte resigned as a director of the company.

On 25 May 2007 Mr J M Paul transferred 25,000 ordinary shares of £1 to Mr G Gennotte for a total consideration of £75,000, or £3 per share.

During March 2008 Mr G Gennotte transferred 25,000 ordinary shares of £1 to Mr J E Samuel for a total consideration of £75,000, or £3 per share.

During the period, rights to subscribe for shares in, or debentures of, the company were not granted to, or exercised by, any director or a member of his or her immediate family.

REPORT OF THE DIRECTORS
(Continued)

Directors' responsibilities

Company law in the United Kingdom requires the directors to prepare financial statements for each financial year that 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 the financial statements, the directors

- select suitable accounting policies and apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- follow applicable United Kingdom accounting standards,
- prepare the financial statements on the going concern basis

The directors are responsible for keeping proper accounting records which 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 1985. 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.

The directors are responsible for ensuring that the Directors' Report and other information included in the Annual Report is prepared in accordance with company law in the United Kingdom.

Statement as to disclosure of information to auditors

So far as the directors are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution for the appointment of Rees Pollock as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

The report of the directors was approved by the Board on 16 April 2008 and signed on its behalf by



Jean Michel Paul
Secretary



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 ACHERON CAPITAL LIMITED

We have audited the accounts of Acheron Capital Limited for the year ended 31 December 2007 on pages 5 to 13 which have been prepared on the basis of the accounting policies set out on page 8

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 profit 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
16 April 2008

ACHERON CAPITAL LIMITED

PROFIT AND LOSS ACCOUNT
for the year ended 31 December 2007

	Note	Year ended 31 December 2007 £	Period ended 31 December 2006 £
Turnover	2	258,246	140,393
Administrative expenses		<u>233,828</u>	<u>120,831</u>
Operating profit	3	24,418	19,562
Bank interest receivable		<u>4,367</u>	<u>1,193</u>
Profit on ordinary activities before taxation and dividends		28,785	20,755
Taxation	6	<u>(6,736)</u>	<u>(8,803)</u>
Profit on ordinary activities after taxation but before dividends		<u>22,049</u>	<u>11,952</u>

All of the company's operations are continuing

The company had no recognised gains or losses other than the profit for the financial period

The notes on pages 8 to 13 form part of these financial statements

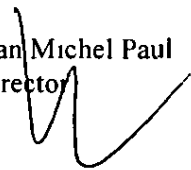
ACHERON CAPITAL LIMITED

BALANCE SHEET
at 31 December 2007

	Note	31 December 2006 £	31 December 2006 £
Fixed assets			
Tangible assets	7	5,058	2,622
Current assets			
Debtors	8	144,852	69,134
Cash at bank and in hand		<u>63,704</u>	<u>101,773</u>
		208,556	170,907
Creditors: Amounts falling due within one year	9	<u>91,246</u>	<u>61,378</u>
Net current assets		<u>117,310</u>	<u>109,529</u>
Total assets less current liabilities		122,368	112,151
Provisions for liabilities and charges	10	<u>319</u>	<u>199</u>
Net assets		<u>122,049</u>	<u>111,952</u>
Capital and reserves			
Called up share capital	11	100,000	100,000
Profit and loss account	12	<u>22,049</u>	<u>11,952</u>
Equity shareholders' funds	13	<u>122,049</u>	<u>111,952</u>

The financial statements were approved by the Board on 16 April 2008 and signed on its behalf by

Jean Michel Paul
Director



The notes on pages 8 to 13 form part of these financial statements

CASH FLOW STATEMENT
for the year ended 31 December 2007

	Note	Year ended 31 December 2007 £	Period ended 31 December 2006 £
Net cash inflow from operating activities	14	(15,309)	7,755
Returns on investment and servicing of finance			
Interest received		4,367	1,193
Taxation paid		(8,795)	-
Capital expenditure and financial investment			
Purchase of tangible fixed assets		(4,264)	(3,151)
Dividends paid		(11,952)	-
Financing			
Issue of ordinary share capital		-	100,000
Increase in cash	15	<u>(35,953)</u>	<u>105,797</u>
Reconciliation of net cash flow to movement in net funds:			
Increase in cash in the year (as above)		(35,953)	105,797
Foreign exchange differences		<u>(2,116)</u>	<u>(4,024)</u>
Change in net funds resulting from cash flows		<u>(38,069)</u>	<u>101,773</u>
Movement in net funds in the period		(38,069)	101,773
Net funds at 1 January 2007		<u>101,773</u>	<u>-</u>
Net funds at 31 December 2007	15	<u>63,704</u>	<u>101,773</u>

The notes on pages 8 to 13 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2007

1 ACCOUNTING POLICIES

Basis of accounting

The financial statements are prepared in accordance with applicable accounting standards under the historical cost convention

Turnover

Turnover represents amounts receivable in respect of the company's activities in providing investment management services, exclusive of Value Added Tax. Income from management fees and performance fees is recognised on an accruals basis in line with the terms of the various contracts.

Foreign currency

Transactions in foreign currencies are recorded at the rate of exchange ruling at the date of the transaction. Assets and liabilities denominated in foreign currency are translated into sterling at the rates of exchange ruling at 31 December 2007. Exchange differences are taken to the profit and loss account.

Depreciation

Depreciation is provided on a straight line basis to allocate the cost, less estimated residual value, of the tangible fixed assets over their estimated useful lives -

Office Equipment	-	3 years
Computer Equipment	-	3 years

Where there is evidence of impairment, fixed assets are written down to their recoverable amount. Any such write down would be charged to operating profit.

Taxation

The payment of taxation is deferred or accelerated because of timing differences between the treatment of certain items for accounting and taxation purposes. Full provision for deferred taxation is made under the liability method, without discounting, on all timing differences that have arisen, but not reversed by the balance sheet date, unless such provision is not permitted by Financial Reporting Standard 19.

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 for the period is largely attributable to management fees arising from the investment management of one company incorporated in Ireland and one trust established under the laws of Massachusetts, USA.

3. OPERATING PROFIT

	Year ended 31 December 2007 £	Period ended 31 December 2006 £
The operating profit is stated after charging		
Auditors' remuneration -		
Fees payable to the Company's auditor for the audit of the annual financial statements	5,000	3,500
Fees payable to the Company's auditor and its associates for other services		
– other services relating to taxation	1,100	1,000
Depreciation	1,828	529
Foreign exchange differences	2,116	4,024

4. DIRECTORS' REMUNERATION

	Year ended 31 December 2007 £	Period ended 31 December 2006 £
Directors' emoluments for the year were		
Emoluments	-	-
Other benefits	2,017	4,464
	2,017	4,464

The highest paid director received earnings of £2,017

5. STAFF COSTS

	Year ended 31 December 2007 £	Period ended 31 December 2006 £
Wages and salaries	35,013	14,800
Social security costs	2,652	1,055
	37,665	15,855
The average monthly number of employees and directors was as follows	No.	No.
Directors	2	3
Others	2	1
Office and management	4	4

6. TAXATION

	Year ended 31 December 2007 £	Period ended 31 December 2006 £
UK Corporation tax		
Corporation tax at 19%	<u>6,616</u>	<u>8,604</u>
Tax charge in respect of the current period	6,616	8,604
Deferred tax	<u>120</u>	<u>199</u>
Tax charge in respect of current period	<u>6,736</u>	<u>8,803</u>

The current taxation charge for the period is different from the standard rate of corporation tax for companies of this size in the UK (19%). The differences are explained below

	Year ended 31 December 2007 £	Period ended 31 December 2006 £
Profit on ordinary activities before taxation	<u>28,785</u>	<u>20,755</u>
Theoretical tax at UK corporation tax rate of 19%	5,757	3,943
Effects of		
- disallowable expenses	859	4,860
- timing differences on fixed assets	(110)	(199)
- change in tax rate	(80)	-
- prior year adjustment	<u>190</u>	<u>-</u>
Actual current tax charge	<u>6,616</u>	<u>8,604</u>

7. FIXED ASSETS

	Office Equipment £	Computer Equipment £	Total £
Cost			
At 1 January 2007	375	2,776	3,151
Additions	414	3,850	4,264
At 31 December 2007	<u>789</u>	<u>6,626</u>	<u>7,415</u>
Depreciation			
At 1 January 2007	45	484	529
Charge for the year	205	1,623	1,828
At 31 December 2007	<u>250</u>	<u>2,107</u>	<u>2,357</u>
Net Book Value:			
At 31 December 2006	330	2,292	2,622
At 31 December 2007	<u>539</u>	<u>4,519</u>	<u>5,058</u>

8. DEBTORS

	At 31 December 2007 £	At 31 December 2006 £
Trade debtors	106,352	28,895
VAT recoverable	2,496	1,522
Other taxes recoverable	-	695
Other debtors	2,238	9,099
Rent deposit	9,000	9,000
Accrued income	19,613	17,416
Prepayments	5,153	2,507
	<u>144,852</u>	<u>69,134</u>

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	At 31 December 2007 £	At 31 December 2006 £
Trade creditors	4,331	13,798
Corporation tax payable	6,426	8,604
Other taxes and social security	1,221	257
Other creditors	500	1,000
Accruals and deferred income	78,768	37,719
	<u>91,246</u>	<u>61,378</u>

10. PROVISIONS FOR LIABILITIES AND CHARGES

	Year ended 31 December 2007 £	Period ended 31 December 2006 £
Deferred tax provided on timing differences on fixed assets	<u>319</u>	<u>199</u>
The movement in the provision is as follows		
At start of period	199	-
Movement	<u>120</u>	<u>199</u>
At end of period	<u>319</u>	<u>199</u>

ACHERON CAPITAL LIMITED

11. CALLED UP SHARE CAPITAL

	At 31 December 2007 £	At 31 December 2006 £
Authorised - 500,000 Ordinary shares of £1 each	<u>500,000</u>	<u>500,000</u>
Allotted, called up and fully paid 100,000 Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>

12. RESERVES

	Profit and loss account £
At 1 January 2007	11,952
Profit for the year after tax	22,049
Dividends	<u>(11,952)</u>
At 31 December 2007	<u>22,049</u>

13. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	Year ended 31 December 2007 £	Period ended 31 December 2006 £
At 1 January 2007	111,952	-
Profit for the year after tax	22,049	11,952
Dividends	<u>(11,952)</u>	<u>-</u>
	122,049	11,952
Proceeds from the issue of shares	<u>-</u>	<u>100,000</u>
Closing shareholders' funds	<u>122,049</u>	<u>111,952</u>

14. RECONCILIATION OF OPERATING PROFIT TO NET CASH FLOW FROM OPERATING ACTIVITIES

	Year ended 31 December 2007 £	Period ended 31 December 2006 £
Operating profit	24,418	19,562
Depreciation	1,828	529
Increase in debtors	(75,717)	(69,134)
Increase in creditors	32,046	52,774
Foreign exchange differences	<u>2,116</u>	<u>4,024</u>
Net cash (outflow)/inflow from operating activities	<u>(15,309)</u>	<u>7,755</u>

15. ANALYSIS OF NET FUNDS

	At 1 January 2007 £	Cash inflow/ (outflow) £	Non-cash Movement £	At 31 December 2007 £
Net cash				
Cash at bank and in hand	<u>101,773</u>	<u>(35,953)</u>	<u>(2,116)</u>	<u>63,704</u>
Net funds	<u>101,773</u>	<u>(35,953)</u>	<u>(2,116)</u>	<u>63,704</u>

16. CONTROL

Mr Jean Michel Paul is the controlling party of the company