

REGISTERED NUMBER. 05783257 (England and Wales)

**REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012
FOR
CHOICE LIVE LIMITED**



CHOICE LIVE LIMITED (REGISTERED NUMBER: 05783257)

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FOR THE YEAR ENDED 31 DECEMBER 2012**

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CHOICE LIVE LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2012**

DIRECTORS

P Savvides
A Savvides
Mrs E Papamichalaki

SECRETARY

A Savvides

REGISTERED OFFICE

65 Knowl Piece
Wilbury Way
Hitchin
Hertfordshire
SG4 0TY

REGISTERED NUMBER

05783257 (England and Wales)

AUDITORS:

Faust Loveday Bell LLP, Statutory Auditor
Chartered Certified Accountants
& Registered Auditors
5 Curfew Yard
Thames Street
Windsor
Berkshire
SL4 1SN

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2012**

The directors present their report with the financial statements of the company for the year ended 31 December 2012

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of provision of full service congress organisation specialising in medical congresses

REVIEW OF BUSINESS

During the year the company delivered two significant worldwide conference events resulting in a significant increase in turnover and profitability. The nature and timing of these events is difficult to predict and at the year end there were no further significant contracts in place. The company has dramatically reduced its overhead base at the year end to match with future revenue expectations and the board expect the company to return to a breakeven position in 2013.

The company works internationally and is exposed to a number of risks ranging from the wider economic environment, market competitors, fluctuating exchange rates and spending budgets in the pharmaceutical industry. The management team meet regularly to review the risks and have developed a 3 year plan that mitigates these where possible.

The board monitors the company's performance through regular information and management reports. The key performance indicators (KPI) include levels of turnover, staff utilisation and the recovery of time on individual contracts. The company as part of the Choice One Group is committed to "Global Excellence". This means on a day to day basis a focus on outstanding client service and quality in everything that is delivered.

As part of a listed group the company has adopted IFRS to prepare its annual accounts. The adoption of IFRS has not impacted on the reported results for either this year or the comparative period.

DIVIDENDS

An interim dividend of £630,000 per share was paid on 31 December 2012. The directors recommend that no final dividend be paid.

The total distribution of dividends for the year ended 31 December 2012 will be £630,000.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2012 to the date of this report.

P Savvides
A Savvides
Mrs E Papamichalaki

Other changes in directors holding office are as follows:

A Drakou - resigned 1 August 2012
W Baird - appointed 1 January 2012 - resigned 1 December 2012
S D Hambrook - appointed 1 January 2012 - resigned 1 December 2012

FINANCIAL INSTRUMENTS

The company operates on a day to day basis with working capital facilities provided by the group including overdraft facilities with the company bankers. The company does not use financial instruments in its day to day operations or financing.

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2012**

PRINCIPAL RISKS AND UNCERTAINTIES

The company is exposed to a variety of risks arising from both industry and macro-economic factors. Particular risks include pressure from competitors, foreign exchange and currency movements. The management team meet on a regular basis to review these risks and have developed as part of the 3 year plan, strategies to mitigate them wherever possible.

The board monitors the company's performance through regular information and management reports. The key performance indicators (KPI) include levels of turnover, staff utilisation and the recovery of time on individual contracts. Comprehensive management reports are prepared and monitored in line with a financial plan that is set at the start of the year. The Choice One Group is committed to "Global Excellence". On a day to day basis this means a relentless focus on outstanding client service and quality in everything that is delivered. The company is subject to rigorous external inspection processes in parts of the business which continuously inform management of progress and achievement of quality goals.

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 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

ON BEHALF OF THE BOARD:



A Savvides - Director

28 May 2013

**STATEMENT OF DIRECTORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 DECEMBER 2012**

The directors are responsible for preparing the Report of the Directors 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 International Financial Reporting Standards 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,
- 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

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF CHOICE LIVE LIMITED

We have audited the financial statements of Choice Live Limited for the year ended 31 December 2012 on pages six to twenty. 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.

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 a Report of the Auditors 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 set out on page four, 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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

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 profit 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 Report of the Directors 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.



Mr Benjamin Loveday FCCA (Senior Statutory Auditor)
for and on behalf of Faust Loveday Bell LLP, Statutory Auditor
Chartered Certified Accountants
& Registered Auditors
5 Curfew Yard
Thames Street
Windsor
Berkshire
SL4 1SN

31 May 2013

**INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2012**

	Notes	2012 £	2011 £
CONTINUING OPERATIONS			
Revenue	2	6,550,661	79,150
Cost of sales		(5,472,142)	(45,429)
GROSS PROFIT		1,078,519	33,721
Other operating income		3,610	-
Administrative expenses		(469,552)	(113,999)
OPERATING PROFIT/(LOSS)		612,577	(80,278)
Finance costs	4	(1)	(2)
Finance income	4	3,105	-
PROFIT/(LOSS) BEFORE INCOME TAX	5	615,681	(80,280)
Income tax	6	-	-
PROFIT/(LOSS) FOR THE YEAR		615,681	(80,280)

The notes form part of these financial statements

CHOICE LIVE LIMITED (REGISTERED NUMBER. 05783257)

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2012

	2012 £	2011 £
PROFIT/(LOSS) FOR THE YEAR	615,681	(80,280)
OTHER COMPREHENSIVE INCOME	<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>615,681</u>	<u>(80,280)</u>

The notes form part of these financial statements

STATEMENT OF FINANCIAL POSITION
31 DECEMBER 2012

	Notes	2012 £	2011 £
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	8	502	1,666
CURRENT ASSETS			
Trade and other receivables	9	705,411	2,460,921
Cash and cash equivalents	10	48,570	1,784,804
		753,981	4,245,725
TOTAL ASSETS		754,483	4,247,391
EQUITY			
SHAREHOLDERS' EQUITY			
Called up share capital	11	1	1
Retained earnings	12	528	14,847
TOTAL EQUITY		529	14,848
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	13	744,730	4,232,543
Financial liabilities - borrowings			
Bank overdrafts	14	9,224	-
		753,954	4,232,543
TOTAL LIABILITIES		753,954	4,232,543
TOTAL EQUITY AND LIABILITIES		754,483	4,247,391

The financial statements were approved and authorised for issue by the Board of Directors on 28 May 2013 and were signed on its behalf by



A Savvides - Director

The notes form part of these financial statements

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2012**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 January 2011	1	95,127	95,128
Changes in equity			
Total comprehensive income	-	(80,280)	(80,280)
Balance at 31 December 2011	<u>1</u>	<u>14,847</u>	<u>14,848</u>
Changes in equity			
Dividends	-	(630,000)	(630,000)
Total comprehensive income	-	615,681	615,681
Balance at 31 December 2012	<u>1</u>	<u>528</u>	<u>529</u>

The notes form part of these financial statements

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2012

		2012 £	2011 £
Cash flows from operating activities			
Cash generated from operations	1	(1,118,562)	1,721,744
Interest paid		(1)	(2)
Net cash from operating activities		<u>(1,118,563)</u>	<u>1,721,742</u>
Cash flows from investing activities			
Interest received		<u>3,105</u>	-
Net cash from investing activities		<u>3,105</u>	-
Cash flows from financing activities			
Equity dividends paid		<u>(630,000)</u>	-
Net cash from financing activities		<u>(630,000)</u>	-
(Decrease)/increase in cash and cash equivalents		<u>(1,745,458)</u>	<u>1,721,742</u>
Cash and cash equivalents at beginning of year	2	<u>1,784,804</u>	<u>63,062</u>
Cash and cash equivalents at end of year	2	<u><u>39,346</u></u>	<u><u>1,784,804</u></u>

The notes form part of these financial statements

**NOTES TO THE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2012**
1 RECONCILIATION OF PROFIT/(LOSS) BEFORE INCOME TAX TO CASH GENERATED FROM OPERATIONS

	2012 £	2011 £
Profit/(loss) before income tax	615,681	(80,280)
Depreciation charges	1,164	1,280
Finance costs	1	2
Finance income	(3,105)	-
	<u>613,741</u>	<u>(78,998)</u>
Decrease/(increase) in trade and other receivables	1,755,510	(1,596,496)
(Decrease)/increase in trade and other payables	(3,487,813)	3,397,238
Cash generated from operations	<u>(1,118,562)</u>	<u>1,721,744</u>

2 CASH AND CASH EQUIVALENTS

The amounts disclosed on the statement of cash flow in respect of cash and cash equivalents are in respect of these statement of financial position amounts

Year ended 31 December 2012

	31 12 12 £	1 1 12 £
Cash and cash equivalents	48,570	1,784,804
Bank overdrafts	(9,224)	-
	<u>39,346</u>	<u>1,784,804</u>

Year ended 31 December 2011

	31 12 11 £	1 1 11 £
Cash and cash equivalents	1,784,804	63,062

The notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

1 ACCOUNTING POLICIES

Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards and IFRIC interpretations and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention.

Revenue recognition

Revenue arises from the provision of event organisation services, exclusive of Value Added Tax and trade discounts. Revenue from services rendered is recognised in the income statement on delivery of the event. Amounts received from customers in advance of the event are deferred and included in deferred income. Costs incurred before the event are deferred and included in prepayments and recognised in the income statement when the event is delivered.

Property, plant and equipment

Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life.

Fixtures and fittings - at varying rates on cost

Property, plant and equipment are stated at cost less depreciation.

Taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the statement of financial position date in the countries where the company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the statement of financial position date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2012

1 ACCOUNTING POLICIES - continued

Foreign currencies

(a) Functional and presentational currency

In the company's financial statements, all assets, liabilities and transactions of the company are translated into sterling, the functional currency of the parent company. Average exchange rates are used to translate the income and expenses that have a functional currency other than sterling where there has been no significant fluctuation in the rate. Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

The principal exchange rates used in currency translation between subsidiaries and the group's presentational currency are disclosed in note 19.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement. All other foreign exchange gains and losses are presented in the income statement within 'administrative expenses'.

Non-monetary items measured at historical cost are translated using the exchange rates at the date of transaction (not retranslated).

Employee benefit costs

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the income statement in the period to which they relate.

The company pays contributions to publicly or privately administered pension plans on a mandatory, contractual or voluntary basis. The company has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expenses when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or reduction in the future payments is available.

Equity and reserves

Share capital presents the nominal value of shares that have been issued. Ordinary shares are classified as equity.

Share premium account includes any premiums received on the issue of share capital.

Cash and cash equivalents

For the purpose of the statement of financial position statement of cash flows, cash comprises cash in hand and deposits repayable on demand, less overdrafts payable on demand.

2 SEGMENTAL REPORTING

A geographical analysis of turnover from the provision of congress organisation services is as follows:

	2012 £	2011 £
United Kingdom	-	-
Overseas	6,550,661	79,150
	<u>6,550,661</u>	<u>79,150</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2012**3 EMPLOYEES AND DIRECTORS**

	2012 £	2011 £
Wages and salaries	326,862	79,410
Social security costs	10,679	12,033
Other pension costs	6,025	5,669
	<u>343,566</u>	<u>97,112</u>

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

	2012	2011
Management and administrative staff	<u>4</u>	<u>5</u>

	2012 £	2011 £
Directors' remuneration	<u>-</u>	<u>-</u>

The following directors are remunerated through the ultimate parent company for services provided to the group

Mr P Savvides
Mr A Savvides
Mrs E Papamichalaki

4 NET FINANCE INCOME

	2012 £	2011 £
Finance income		
Deposit account interest	<u>3,105</u>	<u>-</u>
Finance costs		
Bank interest	<u>1</u>	<u>2</u>
Net finance income	<u>3,104</u>	<u>(2)</u>

5 PROFIT/(LOSS) BEFORE INCOME TAX

The profit before income tax (2011 - loss before income tax) is stated after charging/(crediting)

	2012 £	2011 £
Depreciation - owned assets	1,164	1,280
Audit fees	4,400	3,850
Foreign exchange differences	59,323	(40,333)
Auditors remuneration - All other services	<u>13,350</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2012**6 INCOME TAX****Analysis of tax expense**

No liability to UK corporation tax arose on ordinary activities for the year ended 31 December 2012 nor for the year ended 31 December 2011

Factors affecting the tax expense

The tax assessed for the year is lower (2011 - higher) than the standard rate of corporation tax in the UK. The difference is explained below

	2012 £	2011 £
Profit/(loss) on ordinary activities before income tax	<u>615,681</u>	<u>(80,280)</u>
Profit/(loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 24.500% (2011 - 20%)	150,842	(16,056)
Effects of		
Depreciation for period in excess of capital allowances	202	164
Expenses not deductible for tax purposes	392	-
Unutilised tax losses	-	15,892
Utilisation of tax losses brought forward	(4,050)	-
Group relief	<u>(147,386)</u>	<u>-</u>
Tax expense	<u>-</u>	<u>-</u>

7 DIVIDENDS

	2012 £	2011 £
Ordinary share of £1 Interim	<u>630,000</u>	<u>-</u>

8 PROPERTY, PLANT AND EQUIPMENT

	Fixtures and fittings £
COST	
At 1 January 2012 and 31 December 2012	<u>4,064</u>
DEPRECIATION	
At 1 January 2012	2,398
Charge for year	<u>1,164</u>
At 31 December 2012	<u>3,562</u>
NET BOOK VALUE	
At 31 December 2012	<u>502</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2012

8 PROPERTY, PLANT AND EQUIPMENT - continued

	Fixtures and fittings £
COST	
At 1 January 2011 and 31 December 2011	4,064
DEPRECIATION	
At 1 January 2011	1,118
Charge for year	1,280
At 31 December 2011	2,398
NET BOOK VALUE	
At 31 December 2011	1,666

9 TRADE AND OTHER RECEIVABLES

	2012 £	2011 £
Current		
Trade debtors	1,810	422,556
Amounts owed by group undertakings	540,909	315,285
Other debtors	141,059	53,035
VAT	20,882	-
Prepayments and accrued income	751	1,670,045
	<u>705,411</u>	<u>2,460,921</u>

10 CASH AND CASH EQUIVALENTS

	2012 £	2011 £
Cash in hand	408	238
Bank accounts	48,162	1,784,566
	<u>48,570</u>	<u>1,784,804</u>

11 CALLED UP SHARE CAPITAL

Allotted, issued and fully paid Number	Class	Nominal value £1	2012 £	2011 £
1	Ordinary		<u>1</u>	<u>1</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2012**12 RESERVES**

	Retained earnings £
At 1 January 2012	14,847
Profit for the year	615,681
Dividends	<u>(630,000)</u>
At 31 December 2012	<u>528</u>

13 TRADE AND OTHER PAYABLES

	2012 £	2011 £
Current		
Trade creditors	102,371	19,589
Amounts owed to group undertakings	200,194	35,405
Other creditors	352,725	237,908
Accruals and deferred income	89,440	3,939,641
	<u>744,730</u>	<u>4,232,543</u>

14 FINANCIAL LIABILITIES - BORROWINGS

	2012 £	2011 £
Current		
Bank overdrafts	<u>9,224</u>	<u>-</u>
Terms and debt repayment schedule		
		1 year or less £
Bank overdrafts		<u>9,224</u>

15 ULTIMATE PARENT COMPANY

The ultimate parent company and controlling party of Choice Healthcare Solutions Limited is O C Options Choice PLC, a company listed and incorporated in Cyprus

The largest group in which the results of the Company are consolidated is that headed by O C Options Choice PLC, incorporated in Cyprus. The consolidated financial statements of this group are available to the public and may be obtained from Michael Pandes Street, Nicosia, PO Box 21980, Cyprus

The smallest group in which the results of the Company are consolidated is that headed by Choice One Group Limited, a company incorporated in England and Wales. The consolidated financial statements of this group are available to the public and may be obtained from the Registrar of Companies in England and Wales

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2012

16 CONTINGENT LIABILITIES

At the balance sheet date Lloyds TSB bank plc held a fixed and floating charge over the assets of the company, including the shares in subsidiary companies, and the assets of UK subsidiaries in respect of loans made to the holding company and other facilities

Subsequently on 8 May 2013, Barclays Bank plc now hold a fixed and floating charge over the assets of the company, including the shares in subsidiary companies, and the assets of UK subsidiaries in respect of loans made to the holding company and other facilities

17 RELATED PARTY DISCLOSURES

Choice One Group Limited

The intermediate parent company

During the year the company received services from Choice One Group Limited amounting to £122,000

At the statement of financial position date an amount of £139,231 was due to Choice One Group Limited

W&O Events Limited

The immediate parent company

During the year the company received services from W&O Events Limited amounting to £760,232

At the statement of financial position date an amount of £5,632 was due from W&O Events Limited

Choice Healthcare Solutions Limited

A fellow subsidiary of the immediate parent company W&O Events Limited

During the year the company received services from Choice Healthcare Solutions Limited amounting to £178,432

At the statement of financial position date an amount of £501,046 was due from Choice Healthcare Solutions Limited

Choice Travel Team Limited

A fellow subsidiary of the immediate parent company W&O Events Limited

During the year the company received services from Choice Travel Team Limited amounting to £37,052

At the statement of financial position date an amount of £34,231 was due from Choice Travel Team Limited

Choice Pharma Hong Kong Limited

A subsidiary of the ultimate parent company O C Options Choice PLC

At the statement of financial position date an amount of £60,963 was due to Choice Pharma Hong Kong Limited

18 ULTIMATE CONTROLLING PARTY

The ultimate parent company is publically traded and the directors do not consider there to be an ultimate controlling party

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2012**19 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The Board of directors has overall responsibility for the establishment and oversight of the company's risk management framework and to ensure that the company has adequate policies, procedures and controls to successfully manage the financial risks that it faces. These form part of the company's overall risk management framework.

Incorporated within the framework's terms of reference are the determination of all treasury policies and the monitoring of the effectiveness of those policies. Group Treasury implements and agrees policies on a day-to-day basis. The procedures also stipulate the levels of authority applied to dealing and to approving the types of hedging financial instrument used to manage these exposures. Transactions are only undertaken to hedge underlying exposures. Financial instruments are not traded, nor are speculative positions taken.

The company uses various financial instruments. These include loans and cash together with various items, such as trade receivables and trade payables that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the company's operations and group acquisitions. The existence of these financial instruments exposes the company to a number of financial risks, market risk (in respect of foreign currency rate risk and interest rate risk), liquidity risk (in respect of the company's ability to meet its liabilities) and credit risk (in respect of recovery of amounts owing to the company). The directors review and agree policies for managing each of these risks and they are summarised below.

Currency risk

The company publishes its financial statements in sterling and as a result, it is subject to foreign currency exchange translation risk in respect of the translation of the results and underlying assets of its foreign operations into sterling. In relation to translation risk, as far as possible the assets held in the foreign currency are matched to an appropriate level of borrowings in the same currency.

The table below shows the extent to which the company had financial assets and liabilities at 31 December in currencies other than sterling.

	2012 £	2011 £
Unrestricted cash at bank and in hand		
- Euros	333	587
- US Dollars	27,411	1,782,537
- Other currencies	185	194
Bank overdrafts		
- US Dollars	7,328	-

The following significant exchange rates to the company's Sterling presentation currency are illustrative of the rates applied during the current year and prior year.

	2012 Average rate	2012 Spot rate	2011 Average rate	2011 Spot rate
Euro	1.2330	1.2332	1.1523	1.1933
US Dollars	1.5851	1.6259	1.6039	1.5453

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the company. Trade and other receivables exposures are managed locally in the operating businesses where they arise. The assets held are considered to be normal for the industry and of a good credit rating. The maximum exposure to credit risk is £1,810 (2011: £422,556) as outlined in note 8.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2012

Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The company's approach is to ensure that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed circumstances.