

**QUINLAN PRIVATE CAPITAL UK
LIMITED**

FINANCIAL STATEMENTS

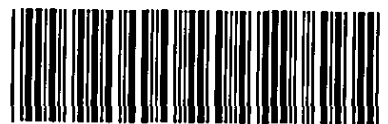
31ST DECEMBER 2008

COMPANY REGISTRATION NUMBER 5845839

GRANT THORNTON

Chartered Accountants & Registered Auditors
30 Finsbury Square
EC2P 2YU

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QUINLAN PRIVATE CAPITAL UK LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 2008

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QUINLAN PRIVATE CAPITAL UK LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

The board of directors	Derek Quinlan Thomas Dowd Peter Donnelly Olan Cremin Peter Vanderslice
Company secretary	Olan Cremin
Registered office	11 Upper Brook Street London W1K 6PB
Auditor	Grant Thornton Chartered Accountants & Registered Auditors 30 Finsbury Square EC2P 2YU
Bankers	Allied Irish Banks plc 10 Berkeley Square London W1J 6AA

QUINLAN PRIVATE CAPITAL UK LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31ST DECEMBER 2008

The directors present their report and the financial statements of the company for the year ended 31st December 2008.

PRINCIPAL ACTIVITIES

The principal activity of the company during the year was the provision of investment management services.

FUTURE DEVELOPMENTS

The company plans to continue as before and increase profitability.

THE DIRECTORS AND THEIR INTERESTS IN THE SHARES OF THE COMPANY

The directors who served the company during the year together with their beneficial interests in the shares of the company were as follows:

	Class of share	At 31 December 2008	At 1 January 2008
Derek Quinlan	Ordinary shares of £0.01 each	30,000,000	30,000,000
Thomas Dowd	Ordinary shares of £0.01 each	30,000,000	30,000,000
Peter Donnelly	Ordinary shares of £0.01 each	30,000,000	30,000,000
Olan Cremin	Ordinary shares of £0.01 each	30,000,000	30,000,000
Peter Vanderslice	Ordinary shares of £0.01 each	30,000,000	30,000,000

DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and 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 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 proper accounting records that 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.

QUINLAN PRIVATE CAPITAL UK LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31ST DECEMBER 2008

In so far as the directors are aware:

there is no relevant audit information of which the company's auditor is unaware; and

the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

DONATIONS

During the year, the company made charitable donations totalling £10,459.

AUDITOR

Grant Thornton are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

Registered office:
11 Upper Brook Street
London
W1K 6PB

Signed by order of the directors



Olan Cremin
Company Secretary

Approved by the directors on 7/4/09

QUINLAN PRIVATE CAPITAL UK LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF QUINLAN PRIVATE CAPITAL UK LIMITED FOR THE YEAR ENDED 31ST DECEMBER 2008

We have audited the financial statements of Quinlan Private Capital UK Limited for the year ended 31st December 2008 which comprise the Profit and Loss Account, Balance Sheet, Cash Flow Statement and the related notes. These financial statements have been prepared on the basis of the accounting policies set out therein.

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

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements 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 financial statements 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 financial statements.

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 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 misstatement 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 financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, 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 financial statements 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 financial statements.

QUINLAN PRIVATE CAPITAL UK LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
QUINLAN PRIVATE CAPITAL UK LIMITED FOR THE YEAR ENDED
31ST DECEMBER 2008 (continued)

OPINION

In our opinion:

- the financial statements 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 31st December 2008 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

Grant Thornton UK Ltd.

Grant Thornton UK LLP
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS

LONDON

9 April 2009

QUINLAN PRIVATE CAPITAL UK LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31ST DECEMBER 2008

	Note	2008 £	2007 £
TURNOVER		4,394,884	1,500,000
Administrative expenses		(4,123,434)	(2,905,732)
OPERATING PROFIT/(LOSS)	2	271,450	(1,405,732)
Interest receivable		48,220	12,578
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		319,670	(1,393,154)
Tax on profit/(loss) on ordinary activities	4	(7,180)	-
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		312,490	(1,393,154)
Balance brought forward		(1,393,154)	-
Balance carried forward		(1,080,664)	(1,393,154)

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 9 to 15 form part of these financial statements.

QUINLAN PRIVATE CAPITAL UK LIMITED

BALANCE SHEET

31ST DECEMBER 2008

	Note	2008 £	£	2007 £	£
FIXED ASSETS					
Tangible assets	5		5,108		5,726
CURRENT ASSETS					
Debtors	6	149,130		-	
Cash at bank		1,078,795		1,316,710	
		1,227,925		1,316,710	
CREDITORS: Amounts falling due within one year	7	313,697		715,590	
NET CURRENT ASSETS			914,228		601,120
TOTAL ASSETS LESS CURRENT LIABILITIES			919,336		606,846
CREDITORS: Amounts falling due after more than one year	8		500,000		500,000
			419,336		106,846
CAPITAL AND RESERVES					
Called-up equity share capital	11		1,500,000		1,500,000
Profit and loss account			(1,080,664)		(1,393,154)
SHAREHOLDERS' FUNDS	12		419,336		106,846

These financial statements were approved by the directors and authorised for issue on, and are signed on their behalf by:


Olan Cremin

The notes on pages 9 to 15 form part of these financial statements.

QUINLAN PRIVATE CAPITAL UK LIMITED

CASH FLOW STATEMENT

YEAR ENDED 31ST DECEMBER 2008

	Note	2008 £	£	2007 £	£
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	13		(283,107)		(804,119)
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	13		48,220		12,578
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	13		(1,898)		(5,726)
CASH OUTFLOW BEFORE FINANCING			(236,785)		(797,267)
FINANCING	13		(1,130)		2,113,977
(DECREASE)INCREASE IN CASH	13		(237,915)		1,316,710

The notes on page 8 form part of these financial statements.

QUINLAN PRIVATE CAPITAL UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 2008

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with applicable UK accounting standards.

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive 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:

Computer software - 3 years

Foreign currencies

The financial statements are stated in sterling. Assets and liabilities in foreign currencies are translated at the exchange rates ruling at the balance sheet date. Revenue costs are translated at the exchange rate ruling at the date of the transaction. All differences are taken to the profit and loss account.

2. OPERATING PROFIT/(LOSS)

Operating profit/(loss) is stated after charging/(crediting):

	2008 £	2007 £
Depreciation of owned fixed assets	2,516	-
Auditor's fees	17,500	12,000
Net profit on foreign currency translation	(53)	-

QUINLAN PRIVATE CAPITAL UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 2008

3. PARTICULARS OF EMPLOYEES

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

	2008 No	2007 No
Fund management	12	12
Administration/compliance	3	4
	<u>15</u>	<u>16</u>

The aggregate payroll costs of the above were:

	2008 £	2007 £
Wages and salaries	2,520,040	1,368,281
Social security costs	298,072	109,866
Other pension costs	171,101	42,795
Ex gratia payments	51,765	28,075
	<u>3,040,978</u>	<u>1,549,017</u>

4. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2008 £	2007 £
Current tax:		
UK Corporation tax based on the results for the year at 20.80% (2007 - 28%)	7,180	-
Total current tax	<u>7,180</u>	<u>-</u>

(b) Factors affecting current tax charge

The tax assessed on the profit/(loss) on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 20.80% (2007 - 28%).

	2008 £	2007 £
Profit/(loss) on ordinary activities before taxation	<u>319,670</u>	<u>(1,393,154)</u>
Profit/(loss) on ordinary activities by rate of tax	66,491	(246,019)
Depreciation in excess of capital allowances	2	(435)
Other expenditure which is disallowable	6,613	41,012
Unutilised trading losses	(65,500)	205,442
Provision for prior year pension contribution	(426)	-
Total current tax (note 4(a))	<u>7,180</u>	<u>-</u>

QUINLAN PRIVATE CAPITAL UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 2008

5. TANGIBLE FIXED ASSETS

	Computer Software £
COST	
At 1st January 2008	5,726
Additions	1,898
At 31st December 2008	<u>7,624</u>
DEPRECIATION	
Charge for the year	2,516
At 31st December 2008	<u>2,516</u>
NET BOOK VALUE	
At 31st December 2008	<u>5,108</u>
At 31st December 2007	<u>5,726</u>

6. DEBTORS

	2008 £	2007 £
Trade debtors	38,337	-
VAT recoverable	27,425	-
Prepayments and accrued income	83,368	-
	<u>149,130</u>	<u>-</u>

7. CREDITORS: Amounts falling due within one year

	2008 £	2007 £
Trade creditors	117,704	67,350
Amounts owed to group undertakings	112,847	113,977
Other creditors including taxation and social security:		
Corporation tax	7,180	-
PAYE and social security	33,473	222,218
VAT	-	117,034
Other creditors	285	15,552
Accruals and deferred income	42,208	179,459
	<u>313,697</u>	<u>715,590</u>

QUINLAN PRIVATE CAPITAL UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 2008

8. CREDITORS: Amounts falling due after more than one year

	2008	2007
	£	£
Subordinated loan	<u>500,000</u>	<u>500,000</u>

9. TRANSACTIONS WITH THE DIRECTORS

The directors and their interest in the share capital of the company were as follows:

	Ordinary Shares of £0.01 each as at 31/12/08
Derek Quinlan	30,000,000
Peter Donnelly	30,000,000
Olan Cremin	30,000,000
Peter Vanderslice	30,000,000
Thomas Dowd	30,000,000

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

10. RELATED PARTY TRANSACTIONS

Quinlan Private Capital UK Limited has a credit balance to the value of £112,847 (2007: £113,977) with related party Quinlan Partnership. Quinlan Private Capital UK Limited is related to Quinlan Partnership by virtue of common directors.

Quinlan Private Capital UK Limited have a long term loan to the value of £500,000 with related party Quinlan Partnership.

QUINLAN PRIVATE CAPITAL UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 2008

11. SHARE CAPITAL

Authorised share capital:

	2008 £	2007 £
36,000,000 A Ordinary shares	360,000	360,000
36,000,000 B Ordinary shares	360,000	360,000
36,000,000 C Ordinary shares	360,000	360,000
36,000,000 D Ordinary shares	360,000	360,000
36,000,000 E Ordinary shares	360,000	360,000
	<u>1,800,000</u>	<u>1,800,000</u>

Allotted and called up:

	2008		2007	
	No	£	No	£
A Ordinary shares	30,000,000	300,000	30,000,000	300,000
B Ordinary shares	30,000,000	300,000	30,000,000	300,000
C Ordinary shares	30,000,000	300,000	30,000,000	300,000
D Ordinary shares	30,000,000	300,000	30,000,000	300,000
E Ordinary shares	30,000,000	300,000	30,000,000	300,000
	<u>150,000,000</u>	<u>1,500,000</u>	<u>150,000,000</u>	<u>1,500,000</u>

12. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2008 £	2007 £
Profit/(Loss) for the financial year	312,490	(1,393,154)
New ordinary share capital subscribed	-	1,500,000
Net addition to shareholders' funds	312,490	106,846
Opening shareholders' funds	106,846	-
Closing shareholders' funds	<u>419,336</u>	<u>106,846</u>

13. NOTES TO THE STATEMENT OF CASH FLOWS

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

	2008 £	2007 £
Operating profit/(loss)	271,450	(1,405,732)
Depreciation	2,516	-
Increase in debtors	(149,130)	-
(Decrease)/increase in creditors	(407,943)	601,613
Net cash outflow from operating activities	<u>(283,107)</u>	<u>(804,119)</u>

QUINLAN PRIVATE CAPITAL UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 2008

13. NOTES TO THE STATEMENT OF CASH FLOWS *(continued)*

RETURNS ON INVESTMENTS AND SERVICING OF FINANCE

	2008 £	2007 £
Interest received	48,220	12,578
Net cash inflow from returns on investments and servicing of finance	<u>48,220</u>	<u>12,578</u>

CAPITAL EXPENDITURE

	2008 £	2007 £
Payments to acquire tangible fixed assets	(1,898)	(5,726)
Net cash outflow from capital expenditure	<u>(1,898)</u>	<u>(5,726)</u>

FINANCING

	2008 £	2007 £
Issue of equity share capital	—	1,500,000
Repayment of amounts owed to group undertakings	(1,130)	113,977
Net inflow from other long-term creditors	—	500,000
Net cash (outflow)/inflow from financing	<u>(1,130)</u>	<u>2,113,977</u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2008 £	£	2007 £	£
(Decrease)/increase in cash in the period	(237,915)		1,316,710	
Net cash outflow from/(inflow) from amounts owed to group undertakings	1,130		(113,977)	
Net cash (inflow) from other long-term creditors	—		(500,000)	
		(236,785)		702,733
Change in net funds		(236,785)		702,733
Net funds at 1 January 2008		702,733		—
Net funds at 31 December 2008		<u>465,948</u>		<u>702,733</u>

QUINLAN PRIVATE CAPITAL UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 2008

13. NOTES TO THE STATEMENT OF CASH FLOWS *(continued)*

ANALYSIS OF CHANGES IN NET FUNDS

	At 1 Jan 2008 £	Cash flows £	At 31 Dec 2008 £
Net cash:			
Cash in hand and at bank	1,316,710	(237,915)	1,078,795
Debt:			
Debt due within 1 year	(113,977)	1,130	(112,847)
Debt due after 1 year	(500,000)	-	(500,000)
	<u>(613,977)</u>	<u>1,130</u>	<u>(612,847)</u>
Net funds	<u>702,733</u>	<u>(236,785)</u>	<u>465,948</u>

QUINLAN PRIVATE CAPITAL UK LIMITED

MANAGEMENT INFORMATION

YEAR ENDED 31ST DECEMBER 2008

The following pages do not form part of the statutory financial statements
which are the subject of the independent auditor's report on pages 4 to 5.

QUINLAN PRIVATE CAPITAL UK LIMITED

DETAILED PROFIT AND LOSS ACCOUNT

YEAR ENDED 31ST DECEMBER 2008

	2008 £	2007 £
TURNOVER	4,394,884	1,500,000
OVERHEADS		
Administrative expenses	(4,123,434)	(2,905,732)
OPERATING PROFIT/(LOSS)	271,450	(1,405,732)
Bank interest receivable	48,220	12,578
PROFIT/(LOSS) ON ORDINARY ACTIVITIES	319,670	(1,393,154)

QUINLAN PRIVATE CAPITAL UK LIMITED

NOTES TO THE DETAILED PROFIT AND LOSS ACCOUNT

YEAR ENDED 31ST DECEMBER 2008

	2008		2007	
	£	£	£	£
ADMINISTRATIVE EXPENSES				
Personnel costs				
Wages and salaries	2,520,040		1,368,281	
Staff national insurance contributions	298,072		109,866	
Staff pension contributions	171,101		42,795	
Ex gratia payments	51,765		28,075	
		3,040,978		1,549,017
Establishment expenses				
Rent, rates and water	490,991		198,636	
Insurance	18,147		5,174	
IT expenses	5,145		10,635	
Office running costs	67,300		8,467	
		581,583		222,912
General expenses				
Motor expenses	1,658		2,491	
Travel and subsistence	77,336		90,192	
Telephone	38,840		36,566	
Courier	12,532		3,341	
Printing, postage and stationery	26,479		7,646	
Staff training	2,792		2,585	
Health insurance	24,885		5,020	
Staff recruitment	282		437,281	
Temp staff	3,545		605	
Sundry expenses	22,351		2,566	
Donations	10,459		35,697	
Staff expenses	26,011		27,322	
Accommodation	16,615		49,886	
Subscriptions	6,496		274	
Marketing	102,533		64,455	
Entertainment	4,212		2,546	
Client entertainment	19,521		109,305	
Aborted projects	-		3,117	
Legal and professional fees	60,635		238,673	
Consultancy	14,945		-	
Compliance	7,330		-	
Auditor's remuneration	17,500		12,000	
Depreciation	2,516		-	
		499,473		1,131,568
Financial costs				
Bank charges	1,453		2,235	
Foreign currency gains/losses	(53)		-	
		1,400		2,235
		4,123,434		2,905,732
INTEREST RECEIVABLE				
Bank interest receivable		48,220		12,578