802690 @ 150·

Incorporated in The Cayman Islands and registered in the UK under registration no FC026502

HAREWOOD INVESTMENTS NO.5 LIMITED

DIRECTORS' REPORT AND NON-STATUTORY FINANCIAL STATEMENTS

31 December 2009

TUESDAY

AD2AON7H

A42 07/09/2010 222

COMPANIES HOUSE

HAREWOOD INVESTMENTS NO.5 LIMITED

NON-STATUTORY FINANCIAL STATEMENTS
For the year ended 31 December 2009

COMPANY INFORMATION

Registered address	M&C Corporate Services Limited PO Box 309GT Ugland House South Church Street George Town Cayman Islands
Principle place of business	10 Harewood Avenue London NW1 6AA United Kingdom
Directors	N E Brick N A L Williams
Secretary	K A Schrod
Auditors	Deloitte LLP London United Kingdom

CONTENTS

Page

HAREWOOD INVESTMENTS NO 5 LIMITED

DIRECTORS'REPORT

The Directors present their report and the non-statutory financial statements of Harewood Investments No 5 Limited ('the Company') for the year ended 31 December 2009 The non-statutory financial statements are prepared in pound sterling, which is the functional and presentation currency

Principal activity and review of the business

The principal activity of the Company continued to be that of an investment company The Company, which is incorporated in the Cayman Islands, is a wholly owned subsidiary of BNP PUK Holding Limited The ultimate parent undertaking is BNP Paribas S A

The Company recorded a profit for the financial year of £838,000 on operating profit of £1,164,000 representing a substantial decrease of 67% over the prior year's profit of £2,550,000 on operating profit of £3,567,000 The retained profit for the year was transferred to reserves During the year, the Directors recommended and paid an interim dividend on ordinary shares of £2,500,000 (2008 £843,000)

There have been no significant events since the balance sheet date

Financial risk management

Financial risk factors
The Company's activity potentially expose it to a variety of financial risks these include market risk (cash flow interest rate risk), credit risk and liquidity risk The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance

(a) Credit risk
The Company is exposed to credit risk on its 'cash and cash equivalents' and 'other receivable' balances of accrued interest from the ultimate parent undertaking. The management believe this risk to be minimal and does not require hedging

(b) Liquidity risk
Prudent liquidity risk management is achieved by maintaining sufficient cash balances and obtaining funding from the ultimate parent undertaking

(c) Cash flow interest rate risk
The Company is exposed to cash flow interest rate risk from its floating rate cash balances It is the opinion of the Directors that the cash flow interest rate risk arising from this balance is insufficient to require hedging

Going Concern and Liquidity

The Directors expect the Company to continue to be profitable next year In addition, the Directors believe that the Company has sufficient financial resources in the form of cash and cash equivalents and other receivables, which more than cover any payables under which it is currently obligated As a consequence the Directors believe that the company is well placed to manage its business risks successfully despite the current uncertain economic outlook

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts This is discussed in note 1 (a) of the accounting policies on page 11 of this report

Capital structure

Details of the authorised and issued share capital, together with details of the movements in the Company's issued share capital are shown in note 10 The Company has one class of ordinary shares which carry one vote per share and have no right to dividends other than those recommended by the Directors

DIRECTORS' REPORT

Future developments

The Director's believe that no significant developments are likely and that the company will continue to act as an investment company

Charitable and political donations

During the year there were no charitable or political contributions made by the Company (2008 nil)

Employees

The company had no employees during the year ended 31 December 2009 (2008 none)

Directors

The Directors who held office during the year were

N E Brick		
N A L Williams	Appointed	24/07/2009
N A Robinson	Resigned	05/08/2009

Directors' indemnities

The Ultimate Parent Undertaking has put in place qualifying third party indemnity provisions in the form of a D&O insurance policy, for the benefit of the Company's Directors, effective throughout the year and which remain in force at the date of this report

Auditors

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

(a) so far as the Directors are aware, there is no relevant audit information of which the Company's auditors are unaware, and

(b) the Director has taken all the steps that he/she ought to have taken as a Director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information

Deloitte LLP have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting

Approved by the Board of Directors and signed on their behalf

By Order of the Board

Director

21 June 2010

HAREWOOD INVESTMENTS NO 5 LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Annual Report and the non-statutory financial statements in accordance with applicable law and regulations

Company law requires the Directors to prepare non-statutory financial statements for each financial year Under that law the Directors have elected to prepare the non-statutory 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 non-statutory 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 non-statutory financial statements, International Accounting Standard ('IAS') 1 requires that directors

- properly select and apply accounting policies,
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information,
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance, and
- make an assessment of the Company's ability to continue as a going concern

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 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

INDEPENDENT AUDITORS' REPORT TO THE DIRECTORS OF

HAREWOOD INVESTMENTS NO 5 LIMITED

We have audited the non-statutory financial statements of Harewood Investments No 5 Limited for the year ended 31 December 2009 which comprise the Income Statement, the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, the Statement of Cash flow and the related notes 1 to 15 These non-statutory financial statements have been prepared under the accounting policies set out therein

This report is made solely to the Company's directors in accordance with our engagement letter dated 25 April 2010 and solely for the purpose of showing the results of management's stewardship of the resources entrusted to it Our audit work has been undertaken so that we might state to the Company's directors those matters we are required to state to them in an independent auditors' report and for no other purpose To the fullest extent permitted by law, we will not accept or assume responsibility to anyone other than that company, for our audit work, for this report, or for the opinions we have formed

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the non-statutory financial statements in accordance with the accounting policies stated in note 1 are set out in the Statement of Directors' Responsibilities

Our responsibility is to audit the non-statutory 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 non-statutory financial statements have been properly prepared in accordance with the accounting policies stated in note 1

We read the Directors' Report accompanying these non-statutory financial statements as described in the contents section and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the non-statutory financial statements 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 non-statutory financial statements It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the non-statutory 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 non-statutory 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 non-statutory financial statements

Opinion

In our opinion the non-statutory financial statements have been properly prepared in accordance with the accounting policies stated in note 1

Deloitte LLP

Deloitte LLP
Chartered Accountants
London
United Kingdom
14 July ~~June~~ 2010

HAREWOOD INVESTMENTS NO 5 LIMITED

INCOME STATEMENT

For the year ended 31 December 2009

	Notes	2009 £'000	2008 £'000
Interest receivable and similar income	3	**1,164**	3,575
Interest payable	4	-	(5)
Administrative expense		-	(3)
Profit before taxation	5	**1,164**	3,567
Taxation	6	**(326)**	(1,017)
Profit for the year		**838**	2,550

The results for both the current year and prior year were derived wholly from continuing operations

HAREWOOD INVESTMENTS NO 5 LIMITED

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2009

STATEMENT OF COMPREHENSIVE INCOME

	2009 £'000	2008 £'000
Profit for the year	**838**	2,550
Other comprehensive income		
Net gain on maturity of available for sale investments	-	1
Total comprehensive income attributable to the equity shareholders	**838**	2,551

HAREWOOD INVESTMENTS NO 5 LIMITED

BALANCE SHEET **COMPANY REGISTRATION NO FC026502**

As at 31 December 2009

	Notes	2009 £'000	2008 £'000
ASSETS			
Current assets			
Other receivables	7	**8**	14
Cash and cash equivalents	8	**61,029**	63,046
TOTAL ASSETS		**61,037**	63,060
LIABILITIES			
Current liabilities			
Other payables	9	**149**	510
TOTAL LIABILTIES		**149**	510
EQUITY			
Ordinary shares	10	**1,500**	1,500
Share premium		**58,500**	58,500
Retained earnings		**888**	2,550
TOTAL EQUITY		**60,888**	62,550
TOTAL LIABILTIES AND EQUITY		**61,037**	63,060

Approved by the Board of Directors and authorised for issue on 21 June 2010 and signed on its behalf by

N Erick

Director

HAREWOOD INVESTMENTS NO.5 LIMITED

STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2009

	Ordinary shares £'000	Share premium £'000	Available for sale Reserves £'000	Retained earnings £'000	Total equity £'000
At 1 January 2008	1,500	58,500	(1)	843	60,842
Profit for the year	-	-	-	2,550	2,550
Dividend paid (Note 13)	-	-	-	(843)	(843)
Other comprehensive income					
Net gain on maturity of available for sale investments	-	-	1	-	1
At 31 December 2008	1,500	58,500	-	2,550	62,550
At 1 January 2009	**1,500**	**58,500**	-	**2,550**	**62,550**
Profit for the year	-	-	-	**838**	**838**
Dividend paid (Note 13)	-	-	-	**(2,500)**	**(2,500)**
At 31 December 2009	**1,500**	**58,500**	-	**888**	**60,888**

The available for sale reserve arose from changes in the fair value of available-for-sale financial assets held by the Company, net of taxation, and is not distributable These gains and losses were recognised in equity until the underlying financial asset matured during 2008 and was derecognised, at which time the cumulative gain or loss recognised in equity was nil

HAREWOOD INVESTMENTS NO 5 LIMITED

STATEMENT OF CASH FLOW
For the year ended 31 December 2009

	Notes	2009 £'000	2008 £'000
Cash flows from operating activities			
Cash used in operations	11	-	(15)
Interest received		1,170	3,853
Interest paid		-	(8)
Tax paid		(687)	(1,848)
Net cash generated from operating activities		483	1,982
Cash flows from investing activities			
Redemption of available-for-sale financial assets		-	950
Net cash generated from investing activities		-	950
Cash flows from financing activities			
Dividend paid		(2,500)	(843)
Net cash used in financing activities		(2,500)	(843)
Net (decrease) / increase in cash and cash equivalents		(2,017)	2,089
Cash and cash equivalents at 1 January		63,046	60,957
Cash and cash equivalents at 31 December	8	61,029	63,046

1 Accounting policies

The principal activity of the Company continued to be that of an investment company The principal accounting policies adopted in the preparation of these non-statutory financial statements are set out below These policies have been consistently applied during the current year and prior period presented, unless otherwise stated

a) Basis of preparation

These non-statutory financial statements have been prepared in accordance with European Union ('EU') adopted International Financial Reporting Standards ('IFRSs') and International Financial Reporting Interpretations Committee (IFRIC) interpretations The non-statutory financial statements have been prepared under the historical cost convention as modified by the revaluation of available-for-sale financial assets at fair value through equity

The following new and revised Standard and Interpretation has been adopted in the current year and has affected the amounts and disclosures reported in these non-statutory financial statements

IAS 1(2007) has introduced terminology changes and changes in the format and content of the non-statutory financial statements

The amendments to IFRS 7 expand the disclosures required in respect of fair value measurements and liquidity risk

At the date of authorisation of these non-statutory financial statements, there were new Standards or Interpretations in issue which were not effective or relevant to the Company The Company has not chosen to adopt any new Standards or Interpretations early The Directors anticipate that the adoption of these Standards and Interpretations will have no material impact on the non-statutory financial statements of the Company

The Directors have a reasonable expectation that the Company will continue to have adequate resources to continue in operational existence for the foreseeable future Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts This is discussed in the Directors' Report on page 2 under the heading of 'Going Concern and Liquidity'

Once approved, the non-statutory financial statements cannot be amended without re-presenting them for approval by the Board

b) Critical accounting estimates and judgements

The preparation of non-statutory financial statements in accordance with IFRS requires the use of certain critical accounting estimates It also requires management to exercise judgement in the process of applying the accounting policies The notes to the non-statutory financial statements set out areas involving a higher degree of judgement or complexity, or areas where assumptions are significant to the non-statutory financial statements such as fair value of financial instruments (Note 1f)

c) Accounting Convention

(i) Trade date accounting

Purchases and sales of financial assets are recognised on trade date, being the date on which the Company commits to purchase or sell the asset

d) Revenue recognition

(i) Interest income and expense

Interest income arises from cash and cash equivalents Interest expense arises from financing activities Interest income and expense are recognised in the Income statement using the effective interest method

e) Foreign currency translation

(i) Functional and presentation currency

Items included in the non-statutory financial statements, are measured using the currency of the primary economic environment in which the entity operates ('the functional currency') The non-statutory financial statements are presented in sterling, which is the Company's functional and presentation currency

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions 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

f) Financial instruments

The Company classifies its financial assets and financial liabilities in the following categories loans and receivables, payables and available for sale The classification depends on the purpose for which the financial assets were acquired Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date

(i) Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market Loans and receivables are measured at amortised cost using the effective interest rate method less any impairment Interest income is recognised by applying the effective interest rate

(ii) Payables
Payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method

(iii) Available-for-sale financial assets
Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date

Available-for-sale financial assets are recognised initially at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss Available-for-sale financial assets are subsequently carried at fair value

Gains or losses arising from changes in the fair value of available-for-sale financial assets, net of taxation, are recognised in equity

When available-for-sale financial assets are sold, impaired or derecognised, the accumulated fair value adjustments recognised in equity are included in the income statement as 'gains and losses from the sale of investment securities' Dividend income from available-for-sale investments is recognised in the income statement within 'other operating income' when the Company's right to receive the dividend is established

Investments are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership

f) Financial instruments (continued)

The Company assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired In the case of equity instruments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered an indicator that the securities are impaired If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the income statement – is removed from equity and recognised in the income statement Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement

Fair value estimation
The fair value of financial instruments traded in active markets (such as trading and available-for-sale investments) is based on quoted market prices at the balance sheet date

g) Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and bank overdraft Bank overdrafts are shown within borrowings in current liabilities on the balance sheet

h) Share capital, capital contributions and debt instruments

Ordinary shares and capital contributions that evidence a residual interest in the assets of the Company after deducting all of its liabilities are classified as equity instruments

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds

i) Taxation

Current tax, including UK corporation tax, is provided at amounts expected to be paid (or recovered), using tax rates and laws that have been enacted by the balance sheet date

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the non-statutory financial statements However, if the deferred tax arises from initial recognition of an asset or liability that at the time of the transaction affects neither the accounting nor taxable profit or loss, it is not accounted for Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled

Deferred tax assets are recognised to the extent that it is probable that foreseeable future taxable profit will be available against which the temporary differences can be utilised

j) Dividend distributions

Discretionary dividends distributed to the Company's shareholders are recognised as a liability in the Company's non-statutory financial statements, in the period in which the dividends are approved by the Company's shareholders

2 Financial risk management

The Company's activity potentially expose it to a variety of financial risks These include, market risk (cash flow interest rate risk) credit risk and liquidity risk The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance The exposures and risk management techniques have not changed significantly from the prior year

a) Credit risk
The Company takes on exposure to credit risk that a counterparty will cause a financial loss for the Company by failing to discharge an obligation Credit risk arises on cash and cash equivalents and other receivables due from other group companies Credit risk is monitored by the Directors and is minimised through the company only dealing with group companies The carrying value of financial assets does not materially differ from their fair value

Maximum exposure to credit risk before collateral held or credit enhancements

	2009	2008
	£'000	£'000
Other receivables	**8**	14
Cash and cash equivalents	**61,029**	63,046
	61,037	63,060

The above table represents a worse case scenario of credit risk exposure for the Company at 31 December 2009 and 2008 The exposures set out above are based on the carrying amounts as reported in the balance sheet There are no financial assets which are impaired or amounts past due No financial assets have been renegotiated that would otherwise be impaired

b) Liquidity risk
Liquidity risk is the risk that the Company is unable to meet its payment obligations associated with its financial liabilities when they fall due Other group companies will provide liquidity to the Company as and when cash is required The financial liabilities as shown in Note 9 are all repayable on demand consequently no liquidity table is provided

c) Market risk
The Company's activity potentially exposes it to market risks, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices Market risks arise from open positions in interest rate, currency, and equity products, all of which are exposed to general and specific market movements and changes in the level of volatility of market rates or prices such as interest rates, credit spreads, foreign exchange rates and equity prices Exposure to market risk is monitored by the Directors

c) Market risk (continued)

(i) Cash flow interest rate risk
The Company is exposed to cash flow interest rate risk from its cash and cash equivalents which bear interest at a variable rate It is the opinion of the Directors that the cash flow interest rate risk arising from these investments is insufficient to require hedging

Interest rate risk sensitivity
The sensitivity analyses below have been determined based on the following assumptions

- the exposure to interest rates is on cash and cash equivalents at the balance sheet date,
- the stipulated change took place at the beginning of the financial year and held constant throughout the reporting period,
- instruments that reprice within a period of 6 months are considered variable while those that reprice after 6 months are considered fixed, and
- a reasonable possible rate change is based on implied volatility rates observed in the market

Based on historic volatility a 150 basis point increase or decrease is considered a reasonably possible change in interest rates

The sensitivity analysis shown below is representative of the risks inherent in the Company's financial instruments and non-trading balances The methods and assumptions used to prepare the sensitivity analysis are consistent for both reporting periods

If interest rates had been 150 basis points higher (2008 125 basis points) and all other variables were held constant, the Company's

- profit for the year ended 31 December 2009 would increase by GBP 915,439 (2008 increase by GBP 788,071) This is attributable to the Company's exposure to interest rates on its cash and cash equivalents

A 150 basis point decrease in interest rates would have an inverse effect on profit or loss and equity The Company's sensitivity to interest rates has not changed significantly since the prior year

3 Interest receivable and similar income

	2009	2008
	£'000	£'000
Interest income on UK government securities	-	12
Interest income on cash and cash equivalents	**1,164**	3,563
	1,164	3,575

Interest income arose on the deposit and current account held with the London Branch of BNP Paribas S A , the ultimate parent undertaking The interest on the deposit is calculated on the applicable LIBOR rate less 12 5 basis points The effective rate on the current account was 0 70% (2008 1 54%) as at 31 December 2009

4 Interest payable

	2009	2008
	£'000	£'000
Interest payable	-	5

5 Profit before taxation

The following costs have not been included in arriving at profit before taxation

a) Services provided by the Company's auditors

Services provided by the Company's auditors consisted of the audit, at a cost of £5,210 (2008 £5,050) which will be borne by the ultimate parent undertaking There were no non-audit fees paid to the auditors in either the current year or the prior year

b) Directors' emoluments

The Directors provide services to the Company, the ultimate parent undertaking and a number of fellow subsidiary undertakings The emoluments of all Directors are paid by the ultimate parent undertaking It is not practical to apportion the emoluments received and therefore they are not disclosed in respect of any Directors in these non-statutory financial statements

c) Number of employees

The Company had no employees during the year to 31 December 2009 (2008 none)

6 Taxation

Analysis of charge for the year	2009 £'000	2008 £'000
Current tax — continuing operations	**326**	1,017
Taxation	**326**	1,017

The tax assessed for the year is determined as the profit on ordinary activities before taxation multiplied by the rate of corporation tax in the UK of 28% (2008 28 5% blended rate)

The tax charge for the year is detailed below

	2009 £'000	2008 £'000
Profit on ordinary activities before tax	**1,164**	3,567
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2008 28 5%)	**326**	1,017
Total taxation	**326**	1,017

7 Other receivables

	2009 £'000	2008 £'000
Amounts owed by group undertakings (Note 12)	**8**	14
	8	14

Amounts owed by group undertakings represent accrued interest receivable on cash and cash equivalents and are receivable during January 2010

Accrued interest receivable from the ultimate parent undertaking is receivable during the year and arose on the sterling deposit of £60,916,264 at a rate of LIBOR less 12 5 basis points

The fair value of other receivables approximates the carrying amount Other receivables are not interest bearing

8 Cash and cash equivalents

	2009 £'000	2008 £'000
Term deposit	**60,916**	62,750
Current account	**113**	296
	61,029	63,046

The term deposit held with the London Branch of BNP Paribas S A receives interest at the applicable LIBOR rate The current account has an effective interest rate of 0 70% (2008 1 54%) as at 31 December 2009

9 Other payables

	2009 £'000	2008 £'000
Corporation tax payable	**149**	510
	149	510

Corporation tax creditors and accruals have no final maturity date and the effective interest rate of the liability is zero The fair value of other payables approximates the carrying amount Other payables are not interest bearing

10 Share capital and share premium

Authorised	**2009** **£'000**	2008 £'000
Equity share capital		
1,500,000 ordinary shares of £1 each	**1,500**	1,500
Issued and fully paid		
Equity share capital		
1,500,000 ordinary shares of £1 each	**1,500**	1,500
Share Premium		
Equity share premium		
1,500,000 ordinary shares of £1 each — premium of £39 each	**58,500**	58,500

The authorised share capital of 1,500,000 ordinary shares of £1 each were issued at a subscription price of £140 per share This represented ordinary share capital of £1,500,000 and share premium of £208,500,000 The shares entitled the holder of the dividend rights to a termination dividend of £100 per share

The termination dividend right met the criteria for a debt instrument under IAS 32 as the Company does not have an unconditional right to avoid delivering cash or another financial asset to settle a contractual obligation

Consequently upon initial recognition a financial liability was recognised at its fair value of £150,000,000 The fair value was been determined based upon a recent arms length transaction During 2007 the Company matured this financial liability

The equity share capital and share premium was determined by deducting the fair value of the financial liability from the subscription proceeds

The ordinary shares of £1 each in issue are non-redeemable, carry one vote per share and have no right to dividends other than those recommended by the Directors, and unlimited right to share in the surplus remaining on a winding up

11 Cash flow from operating activities

Reconciliation of profit for the year to cash used in operations

	2009 £'000	2008 £'000
Profit for the year	**838**	2,550
Adjustments for		
— interest receivable and similar income	**(1,164)**	(3,575)
— interest payable	-	5
— taxation	**326**	1,017
Changes in working capital		
— decrease in other payables	-	(12)
Cash used in operations	-	(15)

12 Related party transactions

Related party transactions during the year that were not of a capital nature were as follows

Interest receivable from the ultimate parent undertaking amounting to £1,163,729 (2008 £3,562,549) in respect of amounts deposited

In respect of these transactions, the outstanding balances receivable/(payable) as at 31 December 2009 were as follows

Nature of transactions	Related party	2009 £'000	2008 £'000
Cash and cash equivalents	Ultimate parent undertaking	**61,029**	63,046
Other receivables	Ultimate parent undertaking	**8**	14
Corporation tax payable	Ultimate parent undertaking	**149**	510

Costs including key management compensation, audit fees, and services provided by support functions of the ultimate parent undertaking, e g (finance, legal and secretarial services) which are incidental to the Company's operations, were borne by the London Branch of BNP Paribas S A and no re-charge was made to the Company

13 Dividends

	2009 £'000	2008 £'000
Dividend paid on ordinary shares	**(2,500)**	(843)

On 30 July 2009, the Directors declared an interim dividend of £1 67 (2008 £0 56) per ordinary share of £1 each amounting to a total of £2,500,000 (2008 £ 843,000)

14 Capital management

The Company categorises capital as Shareholders' equity and as at 31 December, 2009, the Shareholder's equity stood at £60,888,000 (2008 £62,550,000) Any changes to this total between prior year and current year are as a result of changes in the Company's income statement and distribution of dividend

The Directors manage this by monitoring capital levels and where appropriate pay dividends to the parent undertaking Additionally, as and when necessary, the Directors will inject new capital by requesting funding from the ultimate parent undertaking

15 Ultimate parent undertaking

The Company's immediate parent undertaking is BNP PUK Holding Limited, a company incorporated in Great Britain Copies of the statutory financial statements of BNP PUK Holding Limited are available from

10 Harewood Avenue
London
NW1 6AA
United Kingdom

BNP Paribas S A is the main provider of funds, the ultimate parent and controlling party of the group, and is the smallest and largest group to consolidate these non-statutory financial statements BNP Paribas S A is a company incorporated in France with limited liability

Copies of the group financial statements for BNP Paribas S A can be obtained from

16 boulevard des Italiens
75009 Paris
France