Jarvis

Securities plc

Interim Financial Statements 30 June 2009

Corporate information

DIRECTORS:	A J Grant M J Edmett N J Crabb G McAusland	
SECRETARY:	M J Edmett	
REGISTERED OFFICE:	78 Mount Ephraim Royal Tunbridge Wells Kent TN4 8BS	
REGISTERED NUMBER:	5107012	
AUDITORS:	Horwath Clark Whitehill LLP 10 Palace Avenue Maidstone Kent ME15 6NF	
REGISTRAR:	Capita IRG plc Bourne House 34 Beckenham Road Beckenham BR3 4TU	
BANKERS:	HSBC Bank plc 105 Mount Pleasant Tunbridge Wells Kent TN1 1QP	Anglo Irish Bank Corporation plc 10 Old Jewry London EC2R 8DN
SOLICITORS:	Thomson Snell & Passmore 3 Lonsdale Gardens Tunbridge Wells TN1 1NX	K&L Gates LLP 110 Cannon Street London EC4N 6AR
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TRADING ADDRESS:	78 Mount Ephraim Royal Tunbridge Wells TN4 8BS	

Highlights

- Average daily trade volumes up 40% on the first six months of 2008
- Derivatives income up 87% on a year ago
- Client cash balances up 29% on 30 June 2008
- Material contract win with a major building society
- Revenue down 8.4% and profit before tax down 18% on the same period last year
- Revenue excluding interest turn up 9.6% on six months ended 30 June 2008

Chairman's statement

During the period under review we have seen record trade volumes with trade numbers higher for every month than ever before. Overall, daily average volumes are more than 40% higher than a year ago. We have also seen an accelerated increase in client numbers and derivatives income 87% higher than the first half of 2008. A number of new commercial agreements have also been signed, most notably a material new contract with a major UK building society that will start to add to revenue from the end of this year. Our results have not met our full expectations and suffered from the failure of a number of other firms that we provided settlement services for. I believe that we are at the end of this process, leaving us with a higher quality of more robust and established commercial clients going forward.

As noted in my last statement and in other announcements recently, the rapid fall in bank base rate has also impacted on our financial performance. The unprecedented collapse from 5% to 0.5% in just a year has been reflected in the term deposit rates that the business earns on investing client money. This is a significant part of our revenue and the impact of this fall in deposit rates despite having record levels of cash deposits is to lower our profit before tax by more than £600,000 from what we would have achieved at the deposit rates for the comparative period in 2008. Such a large drop in treasury revenues has clearly impacted on our margin too.

Our financial performance remains subject to the interest rate environment and will no doubt disguise some of the advances made in other areas of the operation in 2009. The new spread betting service is due to launch imminently and the growth in derivatives revenues is anticipated to continue. We have some significant new commercial clients and we aim to grow our own retail client base substantially with the introduction of further services. The Board will remain alert to any acquisition opportunities, having considered some proposals recently, and we shall maintain our focus on growing shareholder value through these difficult times. I remain cautiously optimistic for the rest of 2009 and positive for our longer-term prospects.

Andrew J Grant
Chairman

Key performance indicators (KPI)

The key performance indicators (KPIs) are designed to give stakeholders in the business a more rounded view of the Group's performance. Further details on the KPIs and their measurement can be found in the last Annual Report. A selection of KPIs and the Group's results to the interim period for these are detailed below. These results have been annualised from the position at 30 June 2009 where measurement over a year is required.

KPI:	**30/6/09**	30/6/08	Target
Profit before tax margin	**47%**	53%	20%
ROCE - return on capital employed (*annualised)*	**162%**	141%	4%
Revenue per employee (*annualised)*	**£167,902**	£203,049	to increase
Funds under administration	**£431M**	£445M	to increase
Growth in client numbers (*annualised)*	**7.8%**	1.4%	10%
Complaints ratio (*annualised)*	**1.10**	0.27	< 2
Telephone calls answered in three rings	**87%**	91%	90%
Sickness days (*annualised)*	**1.51%**	1.75%	1% per year
Growth in basic earnings per share	**-13.1%**	12.5%	25%

Consolidated income statement for the period ended 30 June 2009

	Notes	Six months ended 30/6/09	30/6/08
		£	£
Continuing operations			
Revenue		**2,308,657**	2,521,187
Administrative expenses		**(1,219,673)**	(1,183,779)
Finance costs		**(2,209)**	(7,440)
Profit before income tax		**1,086,775**	1,329,968
Income tax charge	4	**(294,041)**	(393,076)
Profit for the period		**792,734**	936,892
Attributable to equity holders of the parent		**792,734**	936,892
Earnings per share	5	p	p
Basic		**7.58**	8.72
Diluted		**7.10**	8.14

Consolidated statement of financial position at 30 June 2009

	Notes	30/6/09	31/12/08	30/6/08
			£	£
Assets				
Non-current assets				
Property, plant and equipment		**322,704**	*333,286*	398,861
Intangible assets		**430,673**	*39,396*	48,982
Goodwill		**342,872**	*342,872*	342,872
Investment held to maturity		**39,601**	*39,601*	39,601
Available-for-sale investments		**115,001**	*57,500*	399
Deferred income tax		**-**	*3,143*	180,081
		1,250,851	*815,798*	1,010,796
Current assets				
Trade and other receivables		**6,792,679**	*5,342,108*	7,275,484
Investments held for trading		**56,161**	*50,848*	25,635
Cash and cash equivalents		**10,424,001**	*4,697,721*	11,821,534
		17,272,841	*10,090,677*	19,122,653
Total assets		**18,523,692**	*10,906,475*	20,133,449
Equity and liabilities				
Capital and reserves				
Share capital	7	**105,000**	*105,000*	105,000
Share premium		**779,934**	*779,934*	779,934
Merger reserve		**9,900**	*9,900*	9,900
Capital redemption reserve		**9,845**	*9,845*	9,845
Revaluation reserve		**113,902**	*56,401*	-
Other reserves		**63,114**	*54,099*	44,476
Retained earnings		**340,916**	*1,255,387*	1,012,571
Own shares held in treasury		**(83,319)**	*(83,319)*	(80,235)
Total equity		**1,339,292**	*2,187,247*	1,881,491
Current liabilities				
Trade and other payables		**16,396,267**	*8,135,670*	17,385,791
Income tax	4	**788,133**	*583,558*	866,167
Total liabilities		**17,184,400**	*8,719,228*	18,251,958
Total equity and liabilities		**18,523,692**	*10,906,475*	20,133,449

Consolidated statement of comprehensive income

	Six months ended 30/6/09	30/6/08
	£	£
Purchase of own shares	-	(798,629)
Deferred tax (charge) / asset on share options	-	100,674
Net income recognised directly in equity	-	(697,955)
Profit for the period	792,734	936,892
Total comprehensive income for the period	792,734	238,937
Attributable to equity holders of the parent	792,734	238,937

Consolidated statement of changes in equity for the period

	Share capital	Share premium	Merger reserve	Capital redemption reserve	Revaluation reserve	Other reserves	Retained earnings	Own shares held	Attributable to equity holders of the company
	£	£	£	£	£	£	£	£	£
Balance at 31/12/07	108,000	779,934	9,900	6,845	-	34,010	695,329	(1,930)	1,632,088
Purchase of own shares	-	-	-	-	-	-	-	(798,629)	(798,629)
Sale of shares from treasury	-	-	-	-	-	-	-	-	-
Deferred tax asset on options	-	-	-	-	-	-	100,674	-	100,674
Net income recognised directly in equity	-	-	-	-	-	-	*100,674*	*(798,629)*	*(697,955)*
Cancellation of own shares	(3,000)	-	-	3,000	-	-	(720,324)	720,324	-
Expense of employee options	-	-	-	-	-	10,466	-	-	10,466
Profit for the period	-	-	-	-	-	-	936,892	-	936,892
Balance at 30/6/08	105,000	779,934	9,900	9,845	-	44,476	1,012,571	(80,235)	1,881,491
Purchase of own shares	-	-	-	-	-	-	-	(44,334)	(44,334)
Sale of shares from treasury	-	-	-	-	-	-	-	41,250	41,250
Deferred tax charged	-	-	-	-	-	-	(129,978)	-	(129,978)
Net income recognised directly in equity	-	-	-	-	-	-	*(129,978)*	*(3,084)*	*(133,062)*
Expense of employee options	-	-	-	-	-	9,623	-	-	9,623
Profit for the period	-	-	-	-	-	-	372,794	-	372,794
Investment revaluation	-	-	-	-	56,401	-	-	-	56,401
Balance at 31/12/08	105,000	779,934	9,900	9,845	56,401	54,099	1,255,387	(83,319)	2,187,247
Expense of employee options	-	-	-	-	-	9,015	-	-	9,015
Profit for the period	-	-	-	-	-	-	792,734	-	792,734
Dividends	-	-	-	-	-	-	(1,707,205)	-	(1,707,205)
Investment revaluation	-	-	-	-	57,501	-	-	-	57,501
Balance at 30/6/09	105,000	779,934	9,900	9,845	113,902	63,114	340,916	(83,319)	1,339,292

Condensed statement of cashflows for the period ended 30 June 2009

	Six months ended 30/6/09	30/6/08
	£	£
Net cash from operating activities	616,495	2,214,002
Additions to non-current assets	(327,961)	(393,285)
Proceeds from the sale of property, plant and equipment	-	469
Other investing cash flows (net)	-	(20,000)
Net cash used in investing activities	(327,961)	(412,816)
Other financing cash flows (net)	(313,860)	(1,446,629)
Net cash from (used in) financing activities	(313,860)	(1,446,629)
Net (decrease)/increase in cash and cash equivalents	(25,326)	354,557
Cash and cash equivalents at 1 January	273,621	880,591
Cash and cash equivalents at 30 June	248,295	1,235,148
Bank balances and cash	248,295	1,235,148
Net cash held to settle DVP bargains	10,175,706	10,586,386
Cash and cash equivalents per Balance Sheet	10,424,001	11,821,534

Notes forming part of the interim financial statements

1. Basis of preparation

The interim consolidated financial statements have been prepared in accordance with International Accounting Standard (IAS) 34, Interim Financial Reporting. These interim financial statements have been prepared in accordance with those IFRS standards and IFRIC interpretations issued and effective or issued and early adopted as at the time of preparing these statements (July 2009).

These consolidated interim financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, and financial assets and liabilities at fair value through profit or loss.

The following IFRS standards, amendments and interpretations are effective for the company from 1 January 2010 and hence have not been adopted within these financial statements. The adoptions of these standards, amendments and interpretations is not expected to have a material impact on the company's profit for the year or equity:

Title	Issued	Effective Date
IFRS Improvements re IFRS 5 (see detail below)	May-08	Accounting periods beginning on or after 01/07/2009
IAS 27 Consolidated and Separate Financial Statements	Jan-08	Accounting periods beginning on or after 01/07/2009
IFRS 3 Business Combinations	Jan-08	Acquisitions in Accounting periods beginning on or after 01/07/2009
IAS 39 Financial Instruments: Recognition and Measurement (Amendment) - Eligible Hedged Items	Jul-08	Accounting periods beginning on or after 01/07/2009
IFRIC 17 Distributions of Non-cash Assets to Owners	Nov-08	Accounting periods beginning on or after 01/07/2009
IFRS 1 First- time Adoption of International Financial Reporting Standards (revised)	Nov-08	Accounting periods beginning on or after 01/07/2009
Embedded Derivatives - Amendments to IFRIC 9 and IAS 39	Mar-09	Accounting periods beginning on or after 30/06/2009
Group Cash-settled Share-based Payment Transactions	Jun-09	Accounting periods beginning on or after 01/01/2010

The preparation of financial statements in accordance with IAS34 requires the use of certain accounting estimates. It also requires management to exercise judgement in the process of applying the Company's accounting policies. The areas involving a high degree of judgement or complexity, or areas where the assumptions and estimates are significant to the consolidated interim financial statements, are disclosed in Note 9.

The financial information contained in this report, which has not been audited, does not constitute statutory accounts as defined by Section 434 of the Companies Act 2006. The auditors' report for the 2008 accounts was unqualified and did not contain a statement under Section 237(2) or (3) of the Companies Act 1985 or Section 498 (2) or (3) of the Companies Act 2006.

2. Accounting policies

(a) Revenue

Revenue represents net sales of services, commissions and interest excluding value added tax. Management fees charged in arrears are accrued pro-rata for the expired period of each charging interval. Interest is accrued on cash deposits pro-rata for the expired period of the deposit. Commission income is recognised as earned.

(b) Basis of consolidation

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date on which control ceases. The group financial statements consolidate the financial statements of Jarvis Securities plc, Jarvis Investment Management plc, Sharegain Limited, JIM Nominees Limited, Galleon Nominees Limited and Dudley Road Nominees Limited made up to 30 June 2009.

The Group uses the purchase method of accounting for the acquisition of subsidiaries. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The cost of acquisition over the fair value of the Group's share of identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the Group's share of the net assets of the subsidiary acquired, the difference is recognised in the income statement.

Intra-group sales and profits are eliminated on consolidation and all sales and profit figures relate to external transactions only. No profit and loss account is presented for Jarvis Securities plc as provided by S408 of the Companies Act 2006.

(c) Property, plant and equipment

All property, plant and equipment is shown at cost less subsequent depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the items. Depreciation is provided on cost in equal annual instalments over the lives of the assets at the following rates:

Leasehold improvements	-	33% on cost
Motor vehicles	-	15% on cost
Office equipment	-	20% on cost

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the income statement. Impairment reviews of property, plant and equipment are undertaken if there are indications that the carrying values may not be recoverable or that the recoverable amounts may be less than the asset's carrying value.

(d) Intangible assets

Intangible assets are capitalised at their fair value on acquisition and carried at cost less accumulated amortisation. Amortisation is charged to administrative expenses within the income statement and provided on cost in equal annual instalments over the lives of the assets at the following rates:

Databases	-	4% on cost
Software developments	-	33% on cost
Website	-	33% on cost

Impairment reviews of intangible assets are undertaken if there are indications that the carrying values may not be recoverable or that the recoverable amounts may be less than the asset's carrying value.

(e) Goodwill

Goodwill represents the excess of the fair value of the consideration given over the aggregate fair values of the net identifiable assets of the acquired trade and assets at the date of acquisition. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses.

(f) Deferred income tax

Deferred income tax is provided in full, using the liability method, on differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. The 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 or taxable profit or loss. Deferred income tax is determined using tax rates that have been enacted or substantially enacted by the balance sheet 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 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 is provided on temporary differences arising on investments in subsidiaries except where the timing of the reversal of the timing difference is controlled by the Group and it is probable that the temporary differences will not reverse in the foreseeable future.

(g) Segmental reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. The directors regard the operations of the Group as a single segment.

(h) Pensions

The group operates a defined contribution pension scheme. Contributions payable for the year are charged to the income statement.

(i) Stockbroking balances

The gross assets and liabilities of the group relating to stockbroking transactions on behalf of clients are included in trade receivables, trade payables and cash and cash equivalents.

(j) Operating leases and finance leases

Costs in respect of operating leases are charged on a straight line basis over the lease term in arriving at the profit before income tax. Where the company has entered into finance leases, the obligations to the lessor are shown as part of borrowings and the rights in the corresponding assets are treated in the same way as owned fixed assets. Leases are regarded as finance leases where their terms transfer to the lessee substantially all the benefits and burdens of ownership other than right to legal title.

(k) Finance lease interest

The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

(l) Investments

The Group classifies its investments in the following categories: investments held to maturity, investments held for trading and available-for-sale investments. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at every reporting date.

Investments held to maturity

Investments held to maturity are stated at cost. Held to maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity that an entity has the positive intention and ability to hold to maturity. Assets in this category are classified as non-current.

Investment held for trading

Investments held for trading are stated at fair value. An investment is classified in this category if acquired principally for the purpose of selling in the short term. Assets in this category are classified as current.

Available-for-sale investments

Available-for-sale investments are stated at fair value. They are included in non-current assets unless management intends to dispose of them within 12 months of the balance sheet date.

Purchases and sales of investments are recognised on the trade-date – the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value. Investments are derecognised when the rights to receive cash flows from the investments have expired or been transferred and the Group has transferred substantially all the risks and rewards of ownership. Realised and unrealised gains and losses arising from changes in fair value of investments held for trading are included in the income statement in the period in which they arise. Unrealised gains and losses arising in changes in the fair value of available-for-sale investments are recognised in equity. When investments classified as available-for-sale are sold or impaired, the accumulated fair value adjustments are included in the income statement as gains and losses from investment securities.

The fair value of quoted investments is based on current bid prices. If the market for an investment is not active, the Group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, or discounted cash flow analysis refined to reflect the issuer's specific circumstances.

The Group assesses at each balance sheet date whether there is objective evidence that an investment is impaired. In the case of investments classified as available-for-sale, a significant or prolonged decline in the fair value below its cost is considered in determining whether the security is impaired.

(m) Cashflow statement

Cash movements relating to stockbroking balances derived from client trading are excluded from the cashflow statement on the basis that these amounts do not form part of the cashflow position of the group. DVP cash is client funds held in trust for delivery versus payment transactions in order to pay market counterparties for the purchase of equities and other instruments settled via CREST, the electronic mechanism for the simultaneous and irrevocable transfer of cash and securities operated by CRESTCo Limited. Hence such cash and cash equivalents are not readily available for use by the company as they relate to client transactions.

(n) Foreign Exchange

The group offers settlement of trades in sterling, US dollars, euros, Canadian dollars, Australian dollars, South African rand and Swiss francs. The group does not hold any assets or liabilities other than in sterling and converts client currency on matching terms to settlement of trades realising any currency gain or loss immediately in the income statement. Consequently the group has no foreign exchange risk.

(o) Share Capital

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

Where the company purchases its equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income tax), is deducted from equity attributable to the company's equity holders until the shares are cancelled, reissued or disposed of. Where such shares are subsequently sold or reissued, any consideration received, net of any directly incremental transaction costs and the related income tax effects, is included in equity attributable to the company's equity holders.

(p) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

(q) Current income tax

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting periods, that are unpaid at the balance sheet date. They are calculated according to the tax rates and tax laws applicable to the fiscal periods to which they relate based on the taxable profit for the year.

(r) Dividend distribution

Dividend distribution to the company's shareholders is recognised as a liability in the group's financial statements in the period in which interim dividends are notified to shareholders and final dividends are approved by the company's shareholders.

3. Segmental information

All of the reported revenue and operational results for the period derive from the Group's continuing financial services operations.

4. Income tax charge

Interim period income tax is accrued based on an estimated average annual effective income tax rate of 28%.

5. Earnings per share

	Six months ended 30/6/09			Six months ended 30/6/08		
	Earnings	**Weighted average no. of shares**	**Per share amount**	Earnings	Weighted average no. of shares	Per share amount
	£	**£**	**p**	£	£	p
Earnings attributable to ordinary shareholders	**792,734**	**10,462,000**	**7.58**	936,892	10,744,248	8.72
Dilutive effect of options	**9,015**	**831,000**		9,623	880,000	
Diluted earnings per share	**801,749**	**11,293,000**	**7.10**	946,515	11,624,248	8.14

Treasury shares have been deducted from the number of shares in issue for the purpose of calculating the weighted average number of shares at the period end.

6. Dividends

During the interim period dividends totalling 16p per ordinary share were declared and paid or previous payments ratified.

7. Share capital

There were no movements in the share capital of the company during the interim period.

8. Interim measurement

Costs that incur unevenly during the financial year are anticipated or deferred in the interim report only if it would also be appropriate to anticipate or defer such costs at the end of the financial year.

9. Critical accounting estimates and judgements

The Group makes estimates and assumptions concerning the future. These estimates and judgements are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets within the next financial year relate to goodwill and the expense of employee options.

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in Note 2 (e). These calculations require the use of estimates.

Employee options are expensed equally in each year from issue to the date of first exercise. The total cost is calculated on issue based on the Black Scholes method with a volatility rate of 30% and a risk free interest rate of 3.75%. It is assumed that all current employees with options will still qualify for the options at the exercise date.

10. Related party transactions

The ultimate controlling party of the company and group is Andrew J Grant. On 26 September 2007 the company entered into a lease with Sion Holdings Limited, a company controlled by A J Grant, for the rental of 78 Mount Ephraim, a self-contained office building. The lease has an annual rental of £63,500, being the market rate on an arm's length basis, and expires on 26 September 2017. During the period the company made a management charge of £10,000 to Sion Holdings Limited for office and administrative services and paid Sion Holdings Limited rent of £31,750 under the terms of the lease of 78 Mount Ephraim.

11. Capital commitments

At 30 June the company was committed to purchasing upgraded telephone hardware and software totalling £4,245.

12. Event after the statement of financial position date

The Board propose the payment of a second interim dividend for the year to 31 December 2009 of 2p per Ordinary share to holders on the register at 19 August and payable on 4 September.

13.Acquisitions and goodwill impairment charges

At the end of the period, a number of client databases were acquired. The turnover and profit attributable to these intangible assets is not material for the period and has therefore not been separately disclosed. The cost of acquiring these databases was £255,094. The databases were valued at £386,143 based upon discounted cashflow analysis using an attrition rate of 7% and weighted average cost of capital of 2%. This valuation resulted in recognition of negative goodwill of £197,754, which was credited to the consolidated income statement and positive goodwill of £66,705. The positive goodwill was then subject to an impairment review, was treated as fully impaired and charged against the income statement.

Horwath Clark Whitehill

INDEPENDENT REVIEW REPORT TO JARVIS SECURITIES PLC

Introduction

We have been engaged by the company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2009 which comprises the consolidated income statement, consolidated statement of financial position, consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cashflows and the related notes. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the company, as a body, in accordance with our instructions. Our review has been undertaken so that we might state to the company those matters we are required to state to them in a review 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, for our work, for this report, or for the conclusions we have formed.

Directors' Responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors.

As disclosed in note 1, the annual financial statements of the group are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting," as adopted by the European Union.

Our Responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2009 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union.

Horwath Clark Whitehill LLP
Chartered Accountants

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27 July 2009