Commoditrade Inc.

Annual Report and Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2008

Summary Financials

Revenue H1 2008	Revenue H2 2008	**Total Revenue 2008**	**Profit from on-going operations prior to non-cash items**
£7,750,000	£9,956,000	£17,706,000	£2,548,000

- Gross Revenue £17.7 million (2007: £33.9 million)
- Profit from operations prior to non-cash and sign-on bonus items £2.6 million (2007: £16.1 million)
- Total of £8.9 million in cash back to shareholders during the period via a £5.0 million dividend and £3.9 million share buy back balance
- No debt at year end with net cash at bank of £5.7 million
- Translation reserve increased to £3.1 million due to foreign exchange gains
- After including non-cash items totalling £24.5 million (*note below) and sign-on bonus payments of £0.5 million the Company incurred a loss for the year of £22.4 million (2007: Loss £6.3 million).

Strategic and Operational highlights

- Management changes made during the year including the appointment of David Phipps as Chief Executive on 3 September 2008
- Formation of Commoditrade Asset Management Limited ("CMMAM") and reorganisation of operational platform ahead of the Group's future product diversification
- Strong LME base metals franchise was further enhanced with additional market professionals during the year
- Acquisition announced on 1 December 2008 of AMCO Management Services Limited, the controlling partner of AMCO Commodities LLP, a commodities fund manager ("AMCO") and following receipt of approval to the transaction from the FSA on 18 February 2009, completion of the acquisition, took place on 20 February 2009.

*Note: Non-cash items include £11.8 million in respect of amortisation of intangible asset (2007: £12.1 million) the carrying value of which has been reduced to £3.9 million from £26.22 million at the beginning of 2007. Accordingly, amortisation of this intangible will have a significantly less material impact on future results. In addition, non-cash items include £11.2 million in respect of share based payments (2007: £5.5 million) of which £3 million related to the exercise of options by Graham Butt during the year and so will not recur in future years and £1.5 million in relation to the permanent diminution in the available for sale assets.

Commenting on the Group's outlook, David Phipps, Chief Executive, said:

"Our core LME base metals franchise remains strong and although we anticipate that total LME volumes are likely to be lower in 2009 than last year we believe the changes we have made will enhance and increase revenue flows during the year.

"The acquisition of AMCO will add to our current revenue flows and provide cost savings as well as additional revenue growth as we add additional commodity asset classes to the product portfolio.

"Diversification into other commodity areas will be activated as soon as possible following the creation of the Group's UK regulated entity and initial revenue flows from this area are expected to commence during the final quarter of 2009."

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Company Information

FOR THE YEAR ENDED 31 DECEMBER 2008

Directors	**Graham Porter** (Non-Executive Chairman) **David Phipps** (Chief Executive Officer) **Chris Adams** (Group Investment Director) **Andrew Dobie** (Operations Director) **Graham Butt** (Non-Executive Deputy Chairman) **Adrian Collins** (Non-Executive Director)
Registered office	**Walkers SPV Limited** Walker House Mary Street PO Box 908GT George Town Grand Cayman Cayman Islands
Group secretary	**Kitwell Consultants Limited** Kitwell House The Warren Radlett Hertfordshire WD7 7DU
Nominated adviser	**Strand Partners Limited** 26 Mount Row London W1K 3SQ
Nominated broker	**W H Ireland Limited** 5th Floor 85-89 Colmore Row Birmingham B3 2BB
Transfer agent	**Capita Registrars** The Registry 34 Beckenham Road Beckenham Kent BR3 4TU
Solicitors	**Fladgate LLP** 25 North Row London W1K 6DJ
Auditors	**Grant Thornton UK LLP** Registered Auditor Chartered Accountants Enterprise House 115 Edmund Street Birmingham B3 2HJ

Chief Executive's Statement

FOR THE YEAR ENDED 31 DECEMBER 2008

2008 has seen some of the most turbulent market conditions across the whole financial sector and in particular during the second half of the year. Despite these challenging conditions and our own previously announced restructuring, the performance of our core LME base metals business saw a marked improvement in the second half. Management were particularly encouraged by this improvement as we had taken positive action to significantly reduce risk exposure, given the extreme market volatility, during this period.

Results

Gross revenue for the period was £17.7 million before deduction of clearing and administration fees (2007: £33.9 million). Net cash flow from operating activities was £5.2 million (2007: £10.7 million).

As at 31 December 2008 the Group had no debt and its cash balances stood at £5.7 million after £3.9 million of cash was used in the final part of the Company's share buy-back programme and a final dividend was paid utilising a further £5.1 million of cash.

Operational clearing and related administration costs were lower at £6.2 million (2007: £8.5 million).

Net income for the period after direct trading costs and bonuses but before amortisation of intangible assets, impairment of available for sale assets, costs associated with the issue of share options and sign-on bonus payments to the trading team, was £2.5 million (2007: £16.7 million).

Total non-cash charges during the period amounted to £25.0 million consisting of amortisation of intangible assets of £11.8 million, costs associated with the issue of share options of £11.2 million, sign-on bonus payments of £0.5 million and £1.5 million in respect of the diminution in the value of an "available for sale" asset (see note 9) resulting in a loss before and after tax of £22.4 million (2007: loss £6.3 million).

The Group announced that it completed its share buy-back programme on 25 February 2008. During the last period of the programme the Group completed the purchase of 14,755,000 shares representing 3.8 per cent of the Group's issued share capital immediately prior to the buy-back, at a total cost of £3.9 million. Since the commencement of the programme on 26 November 2007, the Group purchased 45,505,000 shares representing 11.9 per cent. of the Group's issued share capital immediately prior to the buy-back, at a total cost of £11.26 million. No final dividend is proposed.

Reporting currency

Historically the Group has reported results in GBP. The board proposes changing this to US dollars for future reporting periods. The reasoning for this is that the vast majority of commodity trading is effected and the Company's resultant revenue is generated in US dollars. Changing the reporting currency to US dollars will more accurately reflect the trading activities of the group.

Strategy and developments

Even in these most turbulent financial conditions the Group has continued to benefit from the revenues generated by a very strong trading and broking team in the base metals market. Our base metals revenues form a robust foundation from which to build-out the business and last year we embarked on a strategy that would enable the Group to diversify into other commodities. In order to achieve this, the Group had to embark upon a period of change and this has been a year of restructuring our current core operations and developing the platform to diversify our revenue stream in to other commodity areas and products.

Whilst this work is on-going, considerable progress has been made in terms of the Risk Management Platforms and Operational System areas to effectively support this strategy which we expect to be completed by the end of the first half of 2009.

Our recent acquisition of the interest in AMCO Management Services Limited provides us with the first step in our product diversification and we are excited by the opportunities this acquisition will bring. We have initiated a strategy of widening the commodity coverage in the AMCO business, initially maintaining the Relative Value Strategy but with the aim of adding additional products in due course.

Core to our strategy of diversification into other commodity areas is the creation of a UK FSA regulated entity and our ownership of FSA regulated AMCO will help reduce the time and effort involved in this process.

Risk management and control remains an area of core focus and is key to the success of the business. Management reacted to changes in the levels of activity in the base metals market and associated continuance of very high levels of volatility by significantly reducing the level of risk taken on in the last four months of 2008. Whilst this may have reduced the Group's revenue opportunities it was management's belief that the risk inherent in the market outweighed the potential revenue opportunities.

As we commence operations in additional commodity asset classes we intend to roll out our strict risk control policies across these areas. Counterparty risk remains an on-going concern for all businesses and in order to mitigate this for the foreseeable future we have taken the decision to limit our trading activities to exchange cleared products with a central counterparty cleared model.

Outlook

Our core LME base metals franchise remains strong and has been enhanced with addition of experienced market professionals during the year as part of the restructuring process. Although we anticipate that total LME volumes are likely to be lower in 2009 we believe the changes we have made will enhance and increase revenue flows during the year.

The acquisition of AMCO will add to our current revenue flows and provide cost savings as well as providing additional revenue growth as we add additional commodity asset classes to our product portfolio.

Diversification into other commodity areas will be activated as soon as possible following the creation of the Group's UK regulated entity and initial revenue flows from this area are expected to start during the third quarter of 2009.

David Phipps
Chief Executive

23 March 2009

Report of the directors

FOR THE YEAR ENDED 31 DECEMBER 2008

The Directors present their report and audited financial statements for the year ended 31 December 2008.

Principal activities

The principal activities of the Group is that of an investment and metal brokerage and commodity trading group.

Results, dividends and review of business

The results for the Group are set out on page 13. The Directors do not recommend the payment of a final dividend for the year ended 31 December 2008.

A review of the results for the year is provided in the Chief Executive's statement on pages 3 and 4.

The key performance indicators the Directors utilise to assess the performance of the Group is the return from the London Metals Exchange (LME) trading team and the gross trading profit or loss on commodity trading. They set a target of net monthly return from the LME trading team of £1 million. The net return of the LME trading team during the year has averaged £0.4 million per month.

Commoditrade Asset Management Limited commenced activities in the second half of 2008. This entity will undertake strategic proprietary investment on behalf of the group. Each strategy employed will be subject to full risk/reward assessment on a case by case basis.

Risk management policies and objectives

The Group's principal financial instruments comprise cash, investment in associated businesses, available for sale assets, net amounts due for settlement under commodities contracts and equity. The Group has various other financial instruments such as trade and other receivables and trade and other payables, which arise directly from its operations.

The Group's income is derived largely from trading on the LME. Common to other commodity trading companies its business activities expose the Group to a number of financial risks. These include credit, liquidity, market, interest rate and operational associated risks. The monitoring and controlling of risk is a fundamental part of the management process. All risks are monitored and controlled by the Board through approved risk control policies and approved parameters and are monitored daily by the risk committee. This committee sets the appropriate level of risk per trader and monitors daily through internal risk control and monitoring systems as well as third party reports. The evaluation of these risks and the setting of policies is the responsibility of the Board.

The most significant risks to which the Group is exposed are described below.

Credit risk

Generally, the maximum credit risk exposure of financial assets is the carrying amount of the financial assets as shown on the face of the balance sheet (or in the detailed analysis provided in the notes to the financial statements). Credit risk, therefore, is only disclosed in circumstances where the maximum potential loss differs significantly from the financial asset's carrying amount.

Liquidity risk

The Group seeks to manage financial risks to ensure sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. Short term flexibility is achieved by the raising of equity, the use of bank current and money market accounts and the use of discount facilities on unsettled commodities trading positions.

Market risk

The Group's exposure to market risk from the LME trading team consists mainly of uncertainty concerning future movements in the level or volatility of market prices of metals traded on the LME in which the LME team hold a position. This risk arises due to the Group bearing the full losses, if incurred, of the LME trading team. This risk is managed by the use of various mechanisms which put limits on the level of losses that could be incurred. These mechanisms are put in place by Sucden (UK) Limited who control the LME trading team. The Group monitors the exposure via regular reports from Sucden (UK) Limited.

The Commoditrade Asset Management Limited (CMMAM) business is exposed to adverse movements in commodity prices and volatility from taking proprietary positions in base metals. The Group manages this by operating within the trading limit of USD 10 million initial margin set by Sucden (UK) Limited, the provider of the trading platform to CMMAM.

Interest rate risk

The Group is exposed to interest rate risk as it has significant cash deposits. Exposures are managed by depositing funds in short term bank accounts and on the money market. Interest rates are regularly reviewed in order to ensure that the most favourable rate of return is being achieved.

Operational risk

Operational risk is the risk of financial loss resulting from inadequate or failed internal processes, people and systems, or from external events. The Group manages this risk by the setting of appropriate operational policies, procedures and controls. These are reviewed and updated on a regular basis.

Directors

The Directors who served during the year are set out below.

Adrian Collins
David Phipps (appointed 3 September 2008)
Graham Butt
Chris Adams
Andrew Dobie
Joanne Barrett (resigned 31 March 2008)
Graham Porter (appointed 1 April 2008)
Geoffrey Conway-Henderson (resigned 31 March 2008)

Substantial shareholdings

The only interests in excess of 3% of the issued share capital of the Group which has been notified at 17 March 2009, were as follows:

	Ordinary shares of 0.1p each Number	Percentage of capital %
Bluecrest Capital Management	94,650,000	27.05
Brewin Nominees	87,307,706	24.96
Schroder Investment Management	30,039,510	8.59
Credit Agricole	19,855,000	5.68
Blackrock Investment	16,306,437	4.66
HSBC IB Private Clients	12,679,920	3.62
Killik & Co Investment Management	12,446,394	3.56

Payments to suppliers

It is the Group's policy to agree appropriate terms and conditions for its transactions with suppliers by means ranging from standard terms and conditions to individually negotiated contracts and pay suppliers according to agreed terms and conditions, provided that the supplier meets those terms and conditions. The Group does not have a standard or code for dealing with the payment of suppliers. Trade payables at the year end amount to 38 days of average supplies for the year (2007: 30 days).

Statement of Directors' responsibilities

The Group was incorporated as a corporation in the Cayman Islands, which does not prescribe the adoption of any particular accounting framework. Accordingly, the Board have resolved that the Group will follow International Financial Reporting Standards, as adopted by the European Union, when preparing its annual financial statements.

The Directors prepare financial statements for each financial period, which give a true and fair view of the state of affairs of the Group and of the profit or loss for the Group for that period. In preparing those 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Directors are aware:

- there is no relevant audit information of which the Group's auditors are 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 auditors are aware of that information.

The Directors are responsible for the maintenance and integrity of the corporate and financial information held on the Group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Annual General Meeting

The Annual General Meeting of the Group will be held at 30 Quai Gustave-Ador, 1207, Geneva 3, Switzerland on 30 April 2009 at 10.00am.

Auditors

Grant Thornton UK LLP offer themselves for reappointment as auditors.

By order of the Board

Kitwell Consultants Limited
Secretary

23 March 2009

Directors

The Group supports the concept of an effective board leading and controlling the Group. The Board is responsible for approving Group policy and strategy. It meets on a regular basis and has a schedule of matters specifically reserved to it for decision. Consultants supply the Board with appropriate and timely information and the Directors are free to seek any further information they consider necessary. All Directors have access to advice from the Company Secretary and independent professional advice at the Group's expense.

The Board consists of the Chief Executive Officer, who holds a key operational position in the Group, a Group Investment Director and an Operations Director and three non-executive directors, who bring a breadth of experience and knowledge.

Relations with shareholders

The Group values the views of its shareholders and recognises their interest in the Group's strategy and performance. The Annual General Meeting will be used to communicate with private investors and they are encouraged to participate. The Directors will be available to answer questions. Separate resolutions will be proposed on each issue so that they can be given proper consideration and there will be a resolution to approve the annual report and accounts.

Internal control

The Board is responsible for maintaining a strong system of internal control to safeguard shareholders' investment and the Group's assets and for reviewing its effectiveness. The system of internal financial control is designed to provide reasonable, but not absolute, assurance against material misstatement or loss.

An audit committee has been established, and comprises Adrian Collins, Graham Porter and Graham Butt who meet at least twice a year and are responsible for ensuring that the financial performance of the Group is properly monitored and reported on, as well as meeting the auditors and reviewing any reports from the auditors regarding accounts and internal control systems. The Chair of the audit committee is Adrian Collins.

The Board has considered the need for an internal audit function but has decided the size of the Group does not justify it at present. However, it will keep the decision under annual review.

Going concern

After making enquiries, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.

Directors' remuneration

The Group operates within a competitive environment. Performance depends on the individual contributions of the Directors and employees and it believes in rewarding vision and innovation.

Policy on Executive Directors' remuneration

The policy of the Board is to provide executive remuneration packages designed to attract, motivate and retain Directors of the calibre necessary to maintain the Group's position and to reward them for enhancing shareholder value and return. It aims to provide sufficient levels of remuneration to do this, but to avoid paying more than is necessary. The remuneration will also reflect the Directors' responsibilities and contain incentives to deliver the Group's objectives. A separate remuneration committee has been established comprising Graham Butt, Graham Porter and Adrian Collins and is chaired by Graham Butt.

The remuneration of the Directors, for their employment with the Group, was as follows:

	David Phipps £	Adrian Collins £	Graham Butt £	Jo Barrett £	Graham Porter £	Chris Adams £	Geoffrey Conway-Henderson £	Andrew Dobie £	Total £
Year to 31.12.08									
Salary and fees	54,000	9,000	124,000	3,000	9,000	162,927	3,000	95,500	482,927
Bonus	–	–	50,000	–	–	229,916	–	147,500	404,916
	54,000	9,000	174,000	3,000	9,000	392,843	3,000	243,000	887,843
Year to 31.12.07									
Salary and fees	–	–	180,000	12,000	–	12,000	12,000	75,000	291,000
Bonus	–	–	230,000	–	–	–	–	45,000	275,000
	–	–	410,000	12,000	–	12,000	12,000	120,000	566,000

The annual salary for David Phipps, who was appointed on 3 September 2008 is £162,000.

Pensions

There are no pension schemes in operation.

Benefits in kind

The Directors do not receive any benefits in kind.

Bonuses

Bonuses amounting to £404,916 were paid to the Directors during the year ended 31 December 2008 (2007: £275,000) in recognition of their contribution to the performance of the Group's trading operations during the year.

Notice periods

The Directors have letters of appointment which are terminable on three months notice on either side.

Share option incentives

During the year ended 31 December 2008 the following options were held by Directors.

Name	At 1 January 2008	Exercised in year	Granted in year	At 31 December 2008
Andrew Dobie	500,000	–	–	500,000
Chris Adams	7,500,000	–	–	7,500,000
Graham Butt	12,500,000	(12,500,000)	–	–

The share options existing at 1 January 2008 are exercisable at 0.1p per share at any time between 3 years and 10 years from the date of grant of 1 May 2007. There are no performance conditions attached to the share options. The share options of Graham Butt, to which a condition for exercise was added so that if a shareholding of in excess of 5% was made in the Company they could be exercised, were exercised in May 2008.

Report of the Independent Auditors

TO THE MEMBERS OF COMMODITRADE INC.

We have audited the consolidated financial statements of Commoditrade Inc for the year ended 31 December 2008 which comprise the consolidated income statement, the consolidated statement of changes in equity, the consolidated balance sheet, the consolidated cash flow statement and notes 1 to 19. These consolidated financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's members, as a body. 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 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 members as a body, 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 Annual Report and the consolidated financial statements in accordance with United Kingdom law and International Financial Reporting Standards (IFRSs) as adopted by the European Union are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the consolidated 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 consolidated financial statements give a true and fair view. We also report to you whether in our opinion the information given in the Report of the Directors is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other information contained in the Annual Report and consider whether it is consistent with the audited consolidated financial statements. The other information comprises only the Chief Executive's Statement, the Report of the Directors, Corporate Governance Statement and Report on Remuneration. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the consolidated financial statements. Our responsibilities do not extend to any other information.

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 consolidated financial statements. It also includes an assessment of the significant estimates and judgments made by the Directors in the preparation of the consolidated financial statements, and of whether the accounting policies are appropriate to the Group'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 consolidated 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 consolidated financial statements.

Opinion

In our opinion:

- the consolidated financial statements give a true and fair view, in accordance with IFRSs as adopted by the European Union, of the state of the Group's affairs as at 31 December 2008 and of its loss for the year then ended; and
- the information given in the Report of the Directors is consistent with the financial statements.

Grant Thornton UK LLP
Registered Auditor
Chartered Accountants
Birmingham

23 March 2009

Consolidated Income Statement

FOR THE YEAR ENDED 31 DECEMBER 2008

	Note	2008 Prior to non cash and sign on bonus costs £'000	2008 Non cash and sign on bonus costs £'000	2008 Total £'000	2007 Prior to non cash and sign on bonus costs £'000	2007 Non cash and sign on bonus costs £'000	2007 Total £'000
LME trading revenues		**17,706**	**–**	**17,706**	33,880	–	33,880
Clearing and related costs		**(6,150)**	**–**	**(6,150)**	(8,470)	–	(8,470)
Direct costs, financing charges and trader bonuses		**(6,983)**	**–**	**(6,983)**	(7,834)	–	(7,834)
Amortisation of intangible asset		**–**	**(11,740)**	**(11,740)**	–	(12,063)	(12,063)
Net income from associated business	8	**4,573**	**(11,740)**	**(7,167)**	17,576	(12,063)	5,513
Revenue		**514**	**–**	**514**	–	–	–
Other income	3	**80**	**–**	**80**	416	–	416
Total income		**5,167**	**(11,740)**	**(6,573)**	17,992	(12,063)	5,929
Administrative expenses							
– share based payment		**–**	**(11,188)**	**(11,188)**	–	(5,459)	(5,459)
– sign-on bonus payments		**–**	**(519)**	**(519)**	–	(5,487)	(5,487)
– permanent diminution of available for sale asset		**–**	**(1,531)**	**(1,531)**	–	–	–
– other		**(2,595)**	**–**	**(2,595)**	(1,888)	–	(1,888)
Total administrative expenses		**(2,595)**	**(13,238)**	**(15,833)**	(1,888)	(10,946)	(12,834)
Profit/(loss) from operations	5	**2,572**	**(24,978)**	**(22,406)**	16,104	(23,009)	(6,905)
Finance income	4	**165**	**–**	**165**	644	–	644
Finance costs	4	**(189)**	**–**	**(189)**	–	–	–
Profit/(loss) for the year before tax		**2,548**	**(24,978)**	**(22,430)**	16,748	(23,009)	(6,261)
Tax charge	6	**–**	**–**	**–**	–	–	–
Net profit/(loss) for the year		**2,548**	**(24,978)**	**(22,430)**	16,748	(23,009)	(6,261)
Basic and diluted loss per share (pence)	7			**(6.51p)**			(1.66p)

All operations are continuing.

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Changes in Equity

FOR THE YEAR ENDED 31 DECEMBER 2008

	Share capital £'000	Capital redemption reserve £'000	Share premium £'000	Shares to be issued £'000	Translation reserve £'000	Retained earnings £'000	Total equity £'000
At 31 December 2006	376	–	33,452	1,800	(459)	5,756	40,925
Currency translation	–	–	–	–	(470)	–	(470)
Available for sale assets	–	–	–	–	–	(119)	(119)
Net expense recognised in equity	–	–	–	–	(470)	(119)	(589)
Net loss for the year	–	–	–	–	–	(6,261)	(6,261)
Total recognised income and expenses for year	–	–	–	–	(470)	(6,380)	(6,850)
Issue of new shares	6	–	3,279	(1,800)	–	–	1,485
Shares cancelled	(40)	40	–	–	–	(10,225)	(10,225)
Share based payment	–	–	–	–	–	5,459	5,459
At 31 December 2007	342	40	36,731	–	(929)	(5,390)	30,794
Currency translation	–	–	–	–	4,076	–	4,076
Revaluation of available for sale assets	–	–	–	–	–	(50)	(50)
Loss recycled through income statement on available for sale asset	–	–	–	–	–	461	461
Net income recognised in equity	–	–	–	–	4,076	411	4,487
Net loss for the year	–	–	–	–	–	(22,430)	(22,430)
Total recognised income and expenses for year	–	–	–	–	4,076	(22,019)	(17,943)
Dividends paid	–	–	–	–	–	(5,051)	(5,051)
Issue of new shares	12	–	–	–	–	–	12
Shares cancelled	(5)	5	–	–	–	(1,039)	(1,039)
Share based payment	–	–	–	–	–	11,188	11,188
At 31 December 2008	**349**	**45**	**36,731**	**–**	**3,147**	**(22,311)**	**17,961**

The accompanying notes form an integral part of these financial statements.

Consolidated Balance Sheet

AT 31 DECEMBER 2008

	Note	2008 £'000	2007 £'000
Assets			
Non-current			
Investment in associated business	8	**3,913**	15,653
Other receivable	10	**1,368**	1,022
		5,281	16,675
Current			
Available for sale financial assets	9	**1,825**	3,503
Trade and other receivables	10	**5,342**	4,934
Cash and cash equivalents		**5,659**	8,636
Total current assets		**12,826**	17,073
Total assets		**18,107**	33,748
Liabilities			
Current			
Trade and other payables	11	**146**	2,954
Total liabilities		**146**	2,954
Equity			
Share capital	13	**349**	342
Capital redemption reserve		**45**	40
Share premium		**36,731**	36,731
Translation reserve		**3,147**	(929)
Retained earnings		**(22,311)**	(5,390)
Total equity		**17,961**	30,794
Total equity and liabilities		**18,107**	33,748

The financial statements were approved by the Board on 23 March 2009.

D Phipps
Director

The accompanying notes form an integral part of these financial statements.

Consolidated Cash Flow Statement

FOR THE YEAR ENDED 31 DECEMBER 2008

	2008 £'000	2007 £'000
Operating activities		
(Loss) after tax	**(22,430)**	(6,261)
Permanent diminution of available for sale asset	**1,531**	–
Amortisation of intangible asset in associated business	**11,740**	12,063
Share based payment	**11,188**	5,459
Change in trade and other receivables	**(754)**	(132)
Change in trade and other payables	**(1)**	25
Foreign exchange	**3,917**	(451)
Net cash inflow from operating activities	**5,191**	10,703
Investing activities		
Sale of available for sale financial assets	**717**	–
Purchase of available for sale financial assets	**–**	(1,577)
	717	**(1,577)**
Financing activities		
Purchase of own shares	**(3,846)**	(7,418)
Issue of shares	**12**	–
Dividend paid	**(5,051)**	–
Net cash outflow from financing activities	**(8,885)**	(7,418)
Net (reduction)/increase in cash and cash equivalents	**(2,977)**	1,708
Cash and cash equivalents at beginning of year	**8,636**	6,928
Cash and cash equivalents at end of year	**5,659**	8,636

The accompanying notes form an integral part of these financial statements.

1 Accounting policies

Basis of preparation

The Group was incorporated as a Corporation in the Cayman Islands which does not prescribe the adoption of any particular accounting framework. The Board has therefore adopted and complied with International Financial Reporting Standards as adopted by the European Union (IFRS).

The Group's shares are listed on the AIM market of the London Stock Exchange.

The principal accounting policies of the Group, which have been applied consistently are set out below.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiary undertakings made up to 31 December each year. Material intra group balances and transactions, and any unrealised gains arising from intra-group transactions, are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Acquired subsidiary undertakings are subject to application of the purchase method. This involves the revaluation at fair value of all identifiable assets and liabilities, including contingent liabilities of the subsidiary undertaking, at the acquisition date, regardless of whether or not they were recorded in the financial statements of the subsidiary undertaking prior to acquisition. On initial recognition, the assets and liabilities of the subsidiary undertaking are included in the consolidated balance sheet at their revalued amounts, which are also used as the bases for subsequent measurement in accordance with the Group's accounting policies. Goodwill represents the excess of acquisition cost over the fair value of the Group's share of net identifiable assets of the acquired subsidiary undertaking at the date of acquisition. Goodwill on acquisition of subsidiary undertakings is included in intangible assets in the consolidated balance sheet. If the cost of acquisition is less than the fair value of the net assets and contingent liabilities of the subsidiary undertaking acquired, the difference is recognised directly in the consolidated income statement.

Associated businesses

Associated businesses are those entities over which the Group is able to exert significant influence but which are neither subsidiaries nor interests in a joint venture. Investments in associated businesses are initially recognised at cost and subsequently accounted for using the equity method.

On initial acquisition of associated businesses, the investor's share of the net fair value of the associated businesses identifiable assets, liabilities and contingent liabilities is accounted for using the purchase method. Any goodwill arising, which represents the excess of the cost of acquisition over fair value of the identifiable assets and liabilities acquired, is treated in accordance with IFRS 3 and is not amortised but instead is subject to an annual impairment review. Included in the identifiable assets are intangible assets which meet the relevant recognition criteria. The underlying intangible assets are thereafter amortised over their useful life.

All subsequent changes to the share of interest in the equity of associated businesses are recognised in the Group's carrying amount of the investment. Changes resulting from the profit or loss generated by the associated businesses are charged against "net income from associated businesses" in the income statement and therefore affect net results of the Group. These changes include impairment or the fair value adjustments of assets and liabilities.

1 Accounting policies continued

However, when the Group's share of losses in associated businesses equals or exceeds its interest in the associated business, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associated businesses. Once the associated businesses then become profit making, profits are not recognised until they exceed the share of the loss that had not previously been recognised.

Unrealised gains on transactions between the Group and its associated businesses are eliminated to the extent of the Group's interest in the associated businesses. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Intangible assets

Expenditure on intangible assets, including those in the Group's associated businesses, is capitalised at cost, which represents fair value at the acquisition date, and amortised over its estimated useful economic life. After initial recognition intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses.

Dividends

Dividend distributions to shareholders are included in 'other short term financial liabilities' when the dividends are approved by the shareholders' meeting.

Impairment reviews

The Group's assets are subject to impairment testing.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

Individual assets or cash-generating units that include intangible assets with an indefinite useful life or those not yet available for use are tested for impairment at least annually. All other individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised in the income statement for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell and value in use, based on an internal discounted cash flow evaluation. Any impairment loss is charged pro rata to the assets in the cash generating unit. An impairment loss is reversed if there has been a favourable change in the estimates used to determine the assets recoverable amount and only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of amortisation, if no impairment loss had been recognised.

Financial assets

The Group's financial assets include available for sale financial assets, cash and cash equivalents, amounts due from associated businesses and other receivables, including unrealised gains and losses arising from the valuation of forward positions on commodity futures positions.

All financial assets, are recognised on entering into contractual arrangements. All financial assets except for open commodity futures positions, are initially recognised at fair value, plus transaction costs.

Open commodity futures positions are initially recognised at market price and are fair valued based on market prices prevailing at the balance sheet date. Changes in the valuation of these positions are recorded via the income statement.

1 Accounting policies continued

Derecognition of financial assets occurs when the rights to receive cash flows from the assets expire or are transferred and substantially all of the risks and rewards of ownership have been transferred. An assessment for impairment is undertaken at least at each balance sheet date whether or not there is objective evidence that a financial asset or a group of financial assets is impaired.

Amounts due from associated businesses and other receivables are subsequently measured at amortised cost using the effective interest method. They are provided against when objective evidence is received that the Group will not be able to collect all amounts due to it in accordance with the original terms of the receivables. The amount of the write-down is determined as the difference between the asset's carrying amount and the present value of estimated future cash flows.

Available for sale financial assets include non-derivative financial assets that are either designated to this category or do not qualify for inclusion in any other categories of financial assets. All financial assets of the category are subsequently measured at fair value, unless otherwise disclosed, with changes in value recognised in equity, net of any effects arising from income taxes. Gains and losses arising from securities classified as available for sale financial assets are recognised in the income statement when they are sold or when the investment is impaired. In the case of impairment any losses previously recognised in equity is transferred to the income statement. Gains on equity instruments are recognised in equity and not recycled in the income statement.

When a decline in the fair value of an available for sale investment has been recognised directly in equity, and there is objective evidence that the asset is impaired, the cumulative loss that has been recognised directly in equity is removed from equity and recognised in the income statement even though the financial asset has not been derecognised. Impairment losses previously recognised on equity instruments will not be reversed to the income statement in subsequent periods. Impairment losses previously recognised in the income statement on debt securities are subsequently reversed if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

Available for sale equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity instruments, are measured at cost less any identified impairment losses at each balance sheet date subsequent to initial recognition. An impairment loss is recognised in the income statement when there is objective evidence that the asset is impaired. The amount of the impairment loss is measured as the difference between the carrying amount of the asset and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses will not reverse in subsequent periods.

Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise cash in hand and amounts repayable on demand with banks and short-term highly liquid investments which are readily convertible into known amounts of cash without notice, are subject to the insignificant risk of changes in value and which were within three months of maturity when acquired.

1 Accounting policies continued

Equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Share capital is determined using the nominal value of shares that have been issued.

The capital redemption reserve represents the nominal value of shares cancelled on the purchase of own shares in order to maintain the capital base of the Group.

The share premium account represents premiums received on the initial issuing of the share capital. Any transaction costs associated with the issuing of shares are deducted from share premium, net of any related income tax benefits.

Shares to be issued represent future shares to be issued under arrangements in place at the balance sheet date.

Foreign currency translation differences recognised directly in equity are included in the translation reserve.

Retained earnings includes all current and prior period results as disclosed in the income statement together with the cumulative amount of share based expenses and movements in available for sale financial assets which are both transferred to equity.

Share based payments

All share based payment arrangements, granted after 7 November 2002 and not vested on 6 January 2005, are recognised in the financial statements. The Group operates equity settled share based remuneration plans for the remuneration of its employees and has issued a share warrant.

All services received in exchange for the grant of any share based remuneration are measured at their fair values. These are indirectly determined by reference to the fair value of the share options/warrants awarded. Their value is appraised at the grant date and excludes the impact of any non-market vesting conditions (for example, profitability and sales growth targets).

Share based payments are ultimately recognised as an expense in the income statement with a corresponding credit to retained earnings in equity, net of deferred tax where applicable. If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options/warrants expected to vest. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. Estimates are subsequently revised, if there is any indication that the number of share options/warrants expected to vest differs from previous estimates. No adjustment is made to the expense or share issue cost recognised in prior periods if fewer share options/warrants ultimately are exercised than originally estimated.

Upon exercise of share options/warrants, the proceeds received net of any directly attributable transaction costs up to the nominal value of the shares issued are allocated to share capital with any excess being recorded as share premium.

1 Accounting policies continued

Revenue

Revenue represents gross trading profit or loss on commodity dealings net of applicable costs. Gross trading gains or losses are the realised and unrealised profits and losses from market making for long and short positions on a trade date basis.

Financial liabilities

Financial liabilities represent obligations to deliver cash or another financial asset to another entity. The Group's financial liabilities include trade and other payables.

Financial liabilities are recognised when the Group becomes a party to the contractual agreements of the instrument. All financial liabilities are recognised initially at fair value, net of direct issue costs, and are subsequently recorded at amortised cost using the effective interest method with interest related charges recognised as an expense in the income statement.

Taxation

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting period, 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 result for the year. All changes to current tax assets or liabilities are recognised as a component of tax expense in the income statement.

Deferred income taxes are calculated using the liability method on temporary differences. This involves the comparison of the carrying amounts of assets and liabilities in the financial statements with their respective tax bases. However, deferred tax is not provided on the initial recognition of goodwill, nor on the initial recognition of an asset or liability, unless the related transaction is a business combination or affects tax or accounting profit. Deferred tax on temporary differences associated with investment in associated businesses is not provided if reversal of the temporary differences can be controlled by the Group and it is probable the reversal will not occur in the foreseeable future. In addition, tax losses available to be carried forward as well as other income tax credits to the Group are assessed for recognition as deferred tax assets.

Deferred tax liabilities are always provided for in full. Deferred tax assets are recognised to the extent that it is probable that they will be able to be offset against future taxable income. Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted at the balance sheet date.

Most changes in deferred tax assets or liabilities are recognised as a component of tax expense in the income statement. Only changes in deferred tax assets or liabilities that relate to a change in value of assets or liabilities that is charged directly to equity are charged or credited directly to equity.

1 Accounting policies continued

Provisions, contingent liabilities and contingent assets

Provisions are recognised when present obligations will probably lead to an outflow of economic resources from the Group and they can be estimated reliably. Timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive commitment that has resulted from past events, for example, legal disputes or onerous contracts.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the balance sheet date, including the risks and uncertainties associated with the present obligation. Any reimbursement expected to be received in the course of settlement of the present obligation is recognised, if virtually certain as a separate asset, not exceeding the amount of the related provision. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. In addition, long term provisions are discounted to their present values, where time value of money is material.

All provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

In those cases where the possible outflow of economic resource as a result of present obligations is considered improbable or remote, or the amount to be provided for cannot be measured reliably, no liability is recognised in the balance sheet. Probable inflows of economic benefits to the Group that do not yet meet the recognition criteria of an asset are considered contingent assets.

Functional currency

The functional currency of the parent Company is United States dollars. However, for presentation purposes, the financial statements are prepared in United Kingdom sterling. The Group has selected a presentation currency that differs from the functional currency of the parent Company as the Group is listed on AIM.

Transactions in foreign currencies are translated into the functional currency at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. Non-monetary items that are measured at historic cost in a foreign currency are translated at the exchange rate at the date of transaction. Non-monetary assets that are measured at fair value in a foreign currency are translated into the functional currency using the exchange rates at the date when the fair value was determined.

Any exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were initially recorded are recognised in the income statement in the period in which they arise. Exchange differences on non-monetary items are recognised in the statement of changes in equity to the extent that they relate to a gain or loss on that non-monetary item taken to the statement of changes in equity, otherwise such gains and losses are recognised in the income statement.

Transactions in foreign currencies are translated into the presentational currency at the approximate rates ruling on the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into the presentational currency at the approximate rates ruling on the balance sheet date. Gains and losses arising on exchange from the functional to the presentational currency are taken to the currency translation reserve in equity.

1 Accounting policies continued

Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the income statement. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

Critical judgments and key sources of estimation uncertainty

The key sources of estimation uncertainty the Directors have made in preparing these financial statements are as follows:

- the fair value of the available for sale financial assets. Details of how the fair value is arrived at are provided in note 9; and
- the assumptions used to calculate the fair value of share options as detailed in note 13.

The Directors consider that the critical judgments in applying the accounting policies, as detailed above, in preparing these financial statements are as follows:

- the accounting for the Tambelan Interest as an associated business on the basis the Group has significant influence, but not control, as detailed in note 8;
- the use of the functional currency of United States Dollars as that is the currency in which the majority of the Group's transactions are undertaken;
- the valuation of the intangible asset in the associated business as detailed in note 8;
- the inclusion in the income statement of an analysis of the net income from associated business as the Directors consider this is essential to understand the financial statements of the Group; and
- the categorisation of certain financial assets as available for sale as detailed in note 9.

Adoption of new or amended IFRS

During the year, the Group has applied, for the first time, the following new standards, amendment and interpretations, which are effective for the Group's accounting periods beginning on 1 January 2008:

IFRIC 12	Service Concession Arrangements
IFRIC 14	IAS 19 – The Limit on a Defined Benefit Assets, Minimum Funding Requirements and their Interaction

The adoption of the above new and amended IFRSs did not result in changes to the Group's accounting policies.

1 Accounting policies continued

Standards published but not yet effective

At the date of authorisation of these financial statements, certain new Standards, amendments and Interpretations to existing standards have been published but are not yet effective. The Group has not early adopted any of these pronouncements. The new Standards, amendments and Interpretations that are expected to be relevant to the Group's financial statements are as follows:

IAS 1 (Revised) – Presentation of Financial Statements

This amendment affects the presentation of owner changes in equity and introduces a statement of comprehensive income. Preparers will have the option of presenting items of income and expense and components of other comprehensive income either in a single statement of comprehensive income with subtotals, or in two separate statements (a separate income statement followed by a statement of other comprehensive income). This amendment does not affect the financial position or results of the Group but will give rise to additional disclosures. Management is currently assessing the detailed impact of this amendment on the Group's financial statements.

IFRS 2 – Share-based Payment – Amendment relating to vesting conditions and cancellations

This amendment means that all non-vesting conditions are taken into account in the estimate of the fair value of the equity instrument. Management is currently assessing the detailed impact of this amendment on the Group's financial statements.

The following new Standards and Interpretations have been issued but are not expected to have a material impact on the Group's financial statements.

IAS 23 (Revised)	Borrowing costs	Effective for annual periods beginning on or after 1 January 2009
Amendment to IAS 32	Financial Instruments: Presentation and IAS 1 Presentation of financial statements – Puttable Financial Instruments and Obligations Arising on Liquidation	Effective for annual periods beginning on or after 1 January 2009
IAS 27 (Revised)	Consolidated and Separate Financial Statements	Effective for annual periods beginning on or after 1 July 2009
Amendments to IFRS 1	First Time adoption of International Financial Reporting Cost of Investment in a Subsidiary, Jointly Controlled Entity or Associate	Effective for annual periods beginning on or after 1 January 2009
Amendment to IAS 39	Financial Instruments: Recognition and Measurement – Eligible Hedged Items	Effective for annual periods beginning on or after 1 July 2009
IFRS 3 (Revised)	Business Combinations	Effective for annual periods beginning on or after 1 July 2009
IFRS 8	Operating segments	Effective for annual periods beginning on or after 1 January 2009

1 Accounting policies continued

IFRIC 13	Customer Loyalty Programmes	Effective for annual periods beginning on or after 1 July 2008
IFRIC 15	Agreements for the Construction of Real Estate	Effective for annual periods beginning on or after 1 July 2009
IFRIC 16	Hedges of a Net Investment in a Foreign Operation	Effective for annual periods beginning on or after 1 October 2009
IFRIC 17	Distributions of Non-Cash Assets to Owners	Effective for annual periods beginning on or after 1 July 2009
IFRIC 18	Transfers of Assets from Customers	For transfers on or after 1 July 2009
Improvements to IFRSs		Effective for annual periods beginning on or after 1 January 2009 (certain amendments effective 1 July 2009)

2 Segmental reporting

(a) **By business segment (primary segment):**

As defined under International Accounting Standard 14 (IAS 14), the only material business segment the Company has is that of an investment company specialising in investments in the commodities trading sector.

(b) **By geographical segment (secondary segment):**

Under the definitions contained in IAS 14, the only material geographic segment that the Company operates in is currently Switzerland.

3 Other income

	2008 £'000	2007 £'000
Other income	**80**	416

Other income represents the Group's share of profits receivable under the AMCO Commodities LLP (AMCO) contract as discussed in note 9. Expenses have been incurred in respect of this agreement by the Group on behalf of AMCO of £44k (2007: £253k) which have been included within administrative expenses. Included within other receivables is £87k (2007: £304k) of amounts due from AMCO.

4 Finance income and costs

	2008 £'000	2007 £'000
Finance income		
Interest on bank deposits	**165**	644
Finance costs		
Interest on discounting facility	**(189)**	–

5 Profit/(loss) from operations

Employee benefits expense

Expense recognised for benefits of employees of the Group, including directors emoluments, is analysed below:

	2008 £'000	2007 £'000
Directors salary and fees	**887**	566
Salaries	**275**	–
Share based payment	**6,209**	2,460
	7,371	3,026

The average number of persons (including directors) employed by the Group during the year was	**6**	5

The key management personnel of the Group are considered to be the Directors and the LME Trading Team, who are paid via the associated business. Remuneration for these key management personnel is analysed below:

	2008 £'000	2007 £'000
Salary and bonus	**6,477**	11,133
Share based payment	**9,209**	6,960
	15,686	18,093

Auditors remuneration

Operating (loss)/profit includes auditors remuneration as follows:

	2008 £'000	2007 £'000
Fees payable to the Company's auditor for audit of the Group's financial statements	**28**	28
Fees payable to the Company's auditors for other services – other advisory	**2**	2
	30	30

6 Tax

There is no tax charge/income for either year. The Group does not operate in any taxable jurisdiction and there is no tax arising on its operations. The relationship between the expected tax expense/income at 30% and the tax expense/income actually recognised in the income statement can be reconciled as follows:

	2008		2007	
	£'000	**%**	£'000	%
(Loss) for the period before taxation	**(22,430)**	**–**	(6,261)	–
Expected tax (credit)	**(6,729)**	**(30)**	(1,878)	(30)
Loss not subject to tax	**6,729**	**–**	1,878	–
Actual tax income	**–**	**–**	–	–

7 Loss per share

The calculation of the basic (loss)/earnings per share is based on the net loss for the year of £22,430,000 (2007: loss £6,261,000) divided by the weighted average number of shares in issue during the year of 344,465,505 (2007: 377,118,251).

The impact of the warrant and share options is anti-dilutive on the basic loss per share in 2008 and 2007.

An adjusted earnings per share has also been calculated based on the profit for the year before amortisation of the intangible asset within the associated business, sign-on bonus payments, the permanent diminution of available for sale asset and the share based payment charge amounting to a total of £24.978 million (2007: £23.009 million). The adjusted earnings per share is therefore based on the adjusted net profit for the year of £2.548 million (2007: £16.748 million) divided by the weighted average number of shares in issue during the year of 344,465,505 (2007: 377,118,251) which results in an adjusted profit per share of 0.74 pence (2007: 4.44 pence).

The diluted adjusted profit per share is based on a weighted average number of shares in issue on a fully diluted basis of 381,288,186 (2007: 426,038,732) which results in an adjusted diluted profit per share of 0.67 pence (2007: 3.93 pence).

The diluted profit per share calculations for 2008 and 2007 are based on a weighted average number of shares in issue on a fully diluted basis calculated as follows:

	2008	2007
Weighted average shares in issue	**344,465,505**	377,118,251
Dilutive impact of warrant	**3,822,681**	3,420,481
Dilutive impact of share options	**33,000,000**	45,500,000
Weighted average diluted shares in issue	**381,288,186**	426,038,732

8 Investment in associated business

The investment in associated business included in the balance sheet is analysed as follows:

	2008 £'000	2007 £'000
Additions in the year at cost	**–**	1,485
Profit for the financial year	**4,573**	17,576
Foreign exchange	**2,516**	(303)
Amortisation	**(11,740)**	(12,063)
	(4,651)	6,695
Increase/(reduction) in amounts included in trade and other receivables	**288**	(25)
Bonuses beyond contractual amounts treated as administrative expenses	**(392)**	(4,737)
Cash received from associated business	**(6,985)**	(12,511)
Net movement in year	**(11,740)**	(10,578)
Net book value brought forward	**15,653**	26,231
Net book value carried forward	**3,913**	15,653

The investors underlying share of the assets of the associated business acquired represents an intangible asset of £35,210,000 against which amortisation of £31,297,000 has been charged, leaving a net book value of £3,913,000 together with a offsetting receivable and payable of £4,210,000 due from Sucden (UK) Limited (Sucden) to the associated business and from the associated business to the Group.

On 25 April 2006 the Group acquired the Tambelan Interest for an initial aggregate consideration of £24.4 million, of which £14 million was settled in cash and the balance in shares, together with deferred consideration in the form of 6 million ordinary shares payable if certain performance targets were met, which were issued in the year ended 31 December 2007. The professional costs incurred on the acquisition amounted to £7.5 million which included cash expenses and the value of new ordinary shares issued to settle certain transaction costs. The value of the deferred consideration was originally estimated at £1.8 million, however at the time of issue of the deferred shares the value of the deferred consideration was £3.3 million and therefore the cost of the investment has been adjusted accordingly.

The Tambelan Interest was an agreement entered into between Tambelan Group Limited (Tambelan) and Sucden pursuant to which Tambelan introduced a London Metals Exchange Trading Team (the LME Trading Team) to Sucden. Tambelan agreed to underwrite losses generated by the LME Trading Team in consideration for Tambelan receiving 75% of the trading profits (which is gross income from buying and selling metals contracts plus commission received from clients less the direct personnel costs (including contracted bonuses) of the LME Trading Team, execution charges, credit facility charges and the cost of maintaining the required initial margin funding at cost) attributable to that team. From May 2008 the Group received 100% of the trading profits of the LME Trading Team. Sucden is one of the 11 “category one” members of the LME and the LME Trading Team makes markets in base metals in the ring as well as via telephone trading. It also trades on the LME's electronic trading platform.

8 Investment in associated business continued

The current key terms of the Tambelan Agreement, which were revised at the time of the acquisition and in May 2008, are:

- The Tambelan Agreement has an indefinite term but can be terminated after 12 months by either party giving 12 months notice to the other or by Sucden immediately upon the occurrence of an event of default (as described by the Tambelan Agreement). The remaining minimum term of the Tambelan Agreement from acquisition was therefore two years;
- Tambelan undertakes to compensate Sucden for all trading losses after direct costs, without limit, incurred as a result of trading LME contracts;
- Sucden will employ the LME Trading Team, and authorises the LME Trading Team to trade instruments and investments on behalf of Sucden. Trading by the LME Trading Team is subject to FSA requirements, the rules of the LME and Sucden's internal rules; and
- Sucden will pay Tambelan 100% of:

  (i) the amount calculated by Sucden as representing the net profit resulting from buying and selling contracts (which include both open positions and realised positions) and shall be deemed to be the whole amount of such profit or loss whether or not the LME Trading Team were trading within limits set by Sucden; and

  (ii) commission received from clients,

  less:

  (i) direct personnel costs of the LME Trading Team, execution charges, credit facility charges and the cost of maintaining the required initial margin funding at cost; and

  (ii) the total bonus payable by Sucden to the members of the LME trading team.

Coterminous with the acquisition of the Tambelan Interest, the Group also entered into an agreement with each of the LME Trading Team pursuant to which, in the event that Sucden terminates the Tambelan Agreement, each member of the LME Trading Team agreed upon receipt by him of a written request from the Group, at any time up until 30 April 2008 to serve notice upon Sucden to terminate his employment with Sucden; and accept the written offer of employment that will accompany the Group's request, providing that the offer of employment is from a Group with relevant resources that would allow the relevant member of the LME Trading Team to trade on the LME and provides for remuneration and benefits that are not less than those to which the relevant member of the LME Trading Team is entitled and contains other key terms substantially similar to those in his current contract of employment with Sucden. Any offer made to any member of the LME Trading Team will be subject to that member not being in breach of his legal and fiduciary obligations to Sucden and to obtaining all necessary regulatory consents.

The Directors consider that the Group has acquired a business as they have acquired an integrated set of activities, in that they have the access to a seat on the LME through Sucden and their consequential access to the LME Trading Team, from which the Group obtains a return. Therefore the substance of the transaction between the Group and Sucden is that the Group acquired an interest in a business in accordance with IFRS 3 Business combinations. The Group now has the rights to receive all of the profits and is responsible for all of the losses of the business, the right to terminate the agreement by exercising due notice and until 30 April 2008, if Sucden terminate the contract, then the Group has the legal right to obtain the employment services of the LME Trading Team. However, the Group does not employ the LME Trading Team, nor can it direct how they operate. As a consequence the Group is in a position to exercise significant influence, but not control, over the business and therefore the acquisition of the Tambelan Interest has been accounted for as an associated business.

8 Investment in associate undertaking continued

IFRS 3 requires the fair value of the underlying balance sheet value of the associated business to be considered on acquisition. The assets of the business are a combination of access to an exclusive license to allow it to earn income from the London Metal Exchange together with access to the services of a specialist team of traders. The Directors consider that the only intangible asset acquired is the exclusive licence to allow it to earn income from the LME, the fair value of which also comprises the back-up, including the LME Trading Team, required to exploit the value of that licence.

Given the influence the Group is able to exert over the LME Trading Team, as detailed above, it is considered unlikely that Sucden will give notice to terminate until 30 April 2008 at the earliest with the result being that the LME Trading Team will trade for the Group's benefit (for 75% and since May 2008 100% of the net revenue stream) until at least 30 April 2009 and even after 30 April 2008 they could still give notice to terminate to Sucden, without being forced to by the Group. On this basis the Directors consider that the useful economic life of the intangible asset acquired on acquisition of the business is three years. It should also be noted that the Tambelan Agreement has operated for approximately eight years without either party to the agreement giving notice to terminate.

As the Group's activities include that of an investment group the Directors consider the share of the profit of the associated business forms part of the operating activities and have therefore included it as part of the operating result in the income statement.

9 Available for sale financial assets

	2008 **£'000**	2007 £'000
Interest in profits of AMCO	**–**	1,070
AMCO Commodities Fund Limited	**–**	558
Interest in LME Holdings Limited	**1,825**	1,875
	1,825	3,503

On 4 August 2006 the Group acquired a 75% interest in the net profits of commodities investment management company, AMCO Management Services Limited (AMCO) for a total consideration of £1.4 million before costs which was satisfied £0.5 million in cash and the issue of 5,000,000 ordinary shares at a price of 17.75p. The agreement in respect of this interest can be terminated with 12 months notice by either side after the second anniversary of its inception. At 31 December 2008 the fair value of the Group's investment in AMCO was £nil (2007: £1,070,000). As a result of the acquisition of AMCO Management Services Limited on 23 February 2009, as detailed in note 16 the contract was cancelled. As the contract was loss making at the end of 2008 and expected to continue to make losses in early 2009 the value of the interests in the profit of AMCO at 31 December 2008 is deemed to be £nil. In line with the accounting policy outlined in note 1 £1.531 million has been taken to the income statement as a permanent diminution in the value, £461,000 of which had been taken directly to equity in the previous year.

On 1 December 2008, Commoditrade Inc. disposed of the entire share in the AMCO Commodities Fund Limited, realising proceeds of £717,000.

9 Available for sale financial assets continued

The Group had acquired 25,000 B shares in LME Holdings Limited (LME Holdings) for a total consideration of £1.58 million during 2007. At 31 December 2008 the fair value of the Group's investment in LME Holdings was £1.83 million (2007: £1.88 million). The fair value has been calculated at £73 per share at 31 December 2008 based on the most recent transaction in the shares of LME Holdings. The decrease in the value of this investment of £50,000 has been taken directly to equity as this is not considered to be a permanent diminution in value.

The Group is unable to exert any influence over the above assets and therefore they have been designated as available for sale financial assets in accordance with IAS 39.

Financial result by category of financial instruments

Net losses from financial assets/liabilities by category of financial instrument are set out below.

	2008 £'000	2007 £'000
Available-for-sale financial assets:		
– recognised in equity	**(50)**	(119)
– loss recycled from equity to income statement	**461**	–
– recognised in income statement	**(1,531)**	–
Net result from financial assets and financial liabilities	**(1,120)**	(119)

Financial assets by category

The IAS 39 categories of financial asset included in the balance sheet and the headings in which they are included are as follows:

	2008				2007			
	Loans and receivables £'000	**Available for sale financial assets £'000**	**Non financial assets £'000**	**Balance sheet total £'000**	Loans and receivables £'000	Available for sale financial assets £'000	Non financial assets £'000	Balance sheet total £'000
Available for sale financial assets	**–**	**1,825**	**–**	**1,825**	–	3,503	–	3,503
Trade and other receivables	**6,428**	**–**	**–**	**6,428**	5,824	–	–	5,824
Prepayments and accrued income	**–**	**–**	**282**	**282**	–	–	132	132
Cash and cash equivalents	**5,659**	**–**	**–**	**5,659**	8,636	–	–	8,636
Total	**12,087**	**1,825**	**282**	**14,194**	14,460	3,503	132	18,095

Financial liabilities by category

All financial liabilities are held at amortised cost, see note 11.

10 Trade and other receivables

	2008 £'000	2007 £'000
Non-current		
Other receivable	**1,368**	1,022
Current		
Amounts due from associated business	**4,210**	4,498
Other receivables	**850**	304
Prepayments and accrued income	**282**	132
Trade and other receivables, net	**5,342**	4,934

The non-current other receivable represents a deposit held by Sucden to support any losses which the LME trading team may incur. It is repayable on termination of the agreement with Sucden.

Principal credit risk relates to amounts due from the associated business, see note 8.

Amounts due from the associated business and other receivables are usually due within 120 days and bear an effective interest rate of 1%. The amounts due from the associated business at the year end are aged as follows:

	2008 £'000	2007 £'000
Current	**1,521**	1,518
90 days	**2,689**	2,980
	4,210	4,498

The fair value of these financial assets is not individually determined as the carrying amount is a reasonable approximation of fair value. No amounts are past due at the balance sheet date.

Open commodity future positions, included within other receivables, have various maturity dates through to November 2013.

11 Trade and other payables

	2008 £'000	2007 £'000
Trade and other payables	**32**	104
Other creditors	**84**	2,807
Accruals and deferred income	**30**	43
Trade and other payables	**146**	2,954

The fair value of trade and other payables has not been disclosed as, due to their short duration, management considers the carrying amounts recognised in the balance sheet to be a reasonable approximation of their fair value.

12 Deferred tax assets and liabilities

There are no deferred tax assets or liabilities arising from temporary differences at 31 December 2008 or 31 December 2007.

13 Share capital

	2008 £'000	2007 £'000
Authorised		
1,000,000,000 ordinary shares of 0.1p	**1,000**	1,000
Allotted, issued and fully paid		
349,268,114 (2007: 342,048,114) ordinary shares of 0.1p	**349**	342

The movement in the number of shares is as follows:

	Number of ordinary shares
At 31 December 2006	376,273,114
Shares issued	6,000,000
Shares bought back	(40,225,000)
At 31 December 2007	342,048,114
Shares issued	12,500,000
Shares bought back	(5,280,000)
At 31 December 2008	**349,268,114**

The ordinary shares carry one vote each and on a winding up of the Company the balance of assets available for distribution will, subject to any relevant restrictions, be divided amongst the members.

Allotments during the year

On 29 May 2008, 12,500,000 ordinary shares of 0.1p were issued at par upon exercise of share options.

Share buy back programme

During the year to 31 December 2008, 5,280,000 (2007: 40,225,000) shares were bought back by the Company and immediately cancelled. The total cost of the buy back programme was £1,039,000 at an average price of 19.67p per share. The range of prices at which the shares were bought back was 18.59p per share to 21.08p per share.

Warrants

On 8 March 2005 a warrant was issued to Strand Partners Limited, the Group's Nominated Advisor, in connection with their role in the admission of the Group to the AIM market. The warrant entitles Strand Partners Limited to subscribe, at a price of 10p per share, for such number of ordinary shares as are equivalent (on a fully diluted basis) to one per cent of the issued ordinary share capital of the Company at that time. The issued warrant may be exercised at any time during the period from 8 March 2006 to 8 March 2010.

The fair value of warrants granted was determined using the Black-Scholes valuation model. Significant inputs into the calculations were:

- share price of 5p per share at date of grant of warrant
- exercise price of 10p per warrant as detailed above
- 50% volatility based on expected share price
- a risk free interest rate of 5.0%.

13 Share capital continued

Share options

The Group has adopted an employee Share Option Scheme in order to incentivise key management and staff and consultants. The fair value of options granted up to 31 December 2007 was determined using the Black-Scholes valuation model. Significant inputs into the calculations were as follows:

- 400% volatility based on expected share price (ascertained by reference to historic share prices of both the Group and comparable listed companies)
- share price of 54p per share at date of grant of options
- exercise price of 0.1p per share
- a risk free interest rate of 5.25%
- 0% dividend yield
- estimated options lives of three years.

At 31 December 2008, the Group had the following options outstanding:

Date of grant	Dates first exercisable	Exercise price	Market price at date of issue	Number	Fair value
1 May 2007	3 years from date of grant	0.1p	54p	33,000,000	53.992p

Employee share-based expense of £11,188,000 has been included in the income statement. No liabilities were recognised due to share-based payment transactions.

The movement on share options and their weighted average exercise price are as follows:

	2008		2007	
	Number	**Weighted average exercise price (pence)**	Number	Weighted average exercise price (pence)
Outstanding at 1 January	**45,500,000**	**0.1**	–	–
Granted	**–**	**–**	45,500,000	0.1
Exercised	**(12,500,000)**	**0.1**	–	–
Outstanding at 31 December	**33,000,000**	**0.1**	45,500,000	0.1

The share price on the date the share options were exercised was 12.75p.

Of the 33,000,000 share options in existence at 31 December 2008, none are exercisable. The weighted average remaining contractual life of share options outstanding at 31 December 2008 is 16 months.

No options have been exercised or lapsed or fresh options granted after 31 December 2008. Where the Group has absolute discretion over the vesting of the options then an estimate of the likelihood of vesting is revised at each accounting period end.

14 Related party transactions

There were no related party transactions during the year.

15 Contingent liabilities

There are no other contingent liabilities at 31 December 2008 or 31 December 2007.

16 Post balance sheet events

Acquisition of AMCO Management Services Limited

On 20 February 2009 Commoditrade Inc acquired the entire share capital of AMCO Management Services Limited, a business regulated by the Financial Services Authority based in the United Kingdom. The principal activity of AMCO Management Services Limited is asset management.

The estimated total consideration of £4 million consists of an initial payment at completion of £2 million of cash plus additional deferred consideration of a further £2 million, contingent on performance, which will be settled in cash.

The book values under IFRS and the provisional fair values of the assets and liabilities acquired as at the date of acquisition were as follows:

	Book value before acquisition under IFRS £'000	Fair value adjustments £'000	Fair value to Commoditrade Inc. £'000
Non-current assets			
Property, plant & equipment	10	–	10
Current assets			
Trade and other receivables	186	–	186
Cash	256	–	256
Total assets	**452**	**–**	**452**
Current liabilities			
Trade and other payables	220	–	220
Total liabilities	**220**	**–**	**220**
Net assets	**232**	**–**	**232**
Goodwill arising on acquisition	3,768	–	3,768
Consideration	4,000	–	4,000

The directors expect that the deferred consideration will be payable in full two years from the date of the acquisition. The deferred consideration has not been discounted as the discounted amount would not be materially different from the full consideration. The intangible assets of AMCO Management Services Limited will be independently valued and any remaining difference between the fair value of net assets acquired and the fair value of the consideration will be treated as goodwill.

Chris Adams, a director of the Company, is also a director of AMCO Management Services Limited.

17 Financial instruments

The Group uses financial instruments comprising cash, investment in associated businesses, available for sale assets and, net amounts due for settlement under commodities contracts and equity. The Group seeks to manage financial risk, to ensure sufficient liquidity is available to meet foreseeable needs and to invest cash safely and profitably.

The Group's income is derived largely from trading on the LME. Common to other commodity trading companies its business activities expose the Group to a number of financial risks. These include credit, liquidity, market, interest rate and operational associated risks. The monitoring and controlling of risk is a fundamental part of the management process. All risks are monitored and controlled by the Board through the setting of appropriate risk policies, controls and parameters. This is monitored by the risk controls committee. The evaluation of these risks and the setting of policies is the responsibility of the Board.

Borrowing facilities

The Group uses discount facilities on unsettled commodities trading positions to enter into further commodities trading contracts. The Group has no other borrowing facilities.

Interest rate risk

The Group finances its operations through cash at bank and through share capital raised. All financial assets earn interest at floating rates, based upon Bank of England base rates.

The Group seeks to manage financial risks to ensure sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. The Group is exposed to interest rate risk as it has significant cash deposits. Exposures are managed by depositing funds in short term bank accounts. The cash and cash equivalents are invested such that the maximum available interest rate is achieved.

The following table illustrates the sensitivity of the net result for the year and to equity to a reasonably possible change in interest rates of +/– five (2007: one) percentage points.

	2008 +5% £'000	**2008 –5% £'000**	2007 +1% £'000	2007 –1% £'000
Increase/(decrease) in net result and equity	**283**	**(283)**	86	(86)

The Group currently has no financial liabilities with floating interest rates.

17 Financial instruments continued

Market risk

The Group's exposure to market risk from the LME Trading Team consists mainly of uncertainty concerning future movements in level or volatility of market prices of metals traded on the London Metals Exchange in which the LME team hold a position. This risk arises due to the Group bearing the full losses, if incurred, of the LME trading team. This risk is managed by the use of various mechanisms put in place by Sucden who control the LME trading team. The Group monitors the exposure via regular reports from Sucden.

The following table illustrates the sensitivity of the net result for the year and to equity to a reasonably possible change of +/– 100% (2007: one) in the income from the investment in associated business:

	2008 +100% £'000	**2008 –100% £'000**	2007 +1% £'000	2007 –1% £'000
Increase/(decrease) in net result and equity	**4,573**	**(4,573)**	176	(176)

The key risk to the Group is if the LME trading team incurs a loss which would be fully borne by the Group. Due to the controls put in place by Sucden the Directors do not consider it likely a loss will be incurred.

The Commoditrade Asset Management Limited (CMMAM) business is exposed to adverse movements in commodity prices and volatility from taking proprietary positions in base metals. The Group manages this by operating within the trading limit of USD 10 million initial margin set by Sucden, the provider of the trading platform to CMMAM. The risk at 31 December 2008 relates only to the limited number of unclosed positions at that date. The following table illustrates the sensitivity of the net result for the year and to equity to a reasonably possible change of 10% in those unclosed positions.

	2008 +10% £'000	**2008 –10% £'000**
Increase/(decrease) in net result and equity	**461**	**(461)**

Foreign currency risk

The exchange variances arise only on translation as the functional currency of the Group is US dollars and the majority of transactions are carried out in US dollars. Therefore any exchange rate movements are reported through equity through the translation reserve.

Foreign currency denominated financial assets, translated into sterling at the closing rate, are as follows:

	2008		2007	
	$'000	**£'000**	$'000	£'000
Nominal amounts				
Loans and trade receivables	**7,078**	**4,950**	9,131	4,498
Cash and cash equivalents	**4,744**	**3,245**	8,000	4,032
Total financial assets	**11,822**	**8,195**	17,131	8,530

The business is not sensitive to fluctuations in exchange rate movements as it trades predominantly in US dollars and therefore the only exchange rate variances arise on translation to the presentational currency.

18 Capital management

The Group's capital management objectives are:

- to ensure the Group's ability to continue as a going concern;
- to provide an adequate return to shareholders;
- to support the Group's stability and growth;
- to provide capital for the purpose of strengthening the Group's risk management capability; and
- to provide capital for the purpose of further investments.

The Group actively and regularly reviews and manages its capital structure to ensure an optimal capital structure and to maximise equity holder returns, taking into consideration the future capital requirements of the Group and capital efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities. The management regards capital as total equity and reserves, for capital management purposes.

19 Subsidiary undertakings

The Company has a 100% subsidiary undertaking Commoditrade Asset Management Limited, which is domiciled in the Cayman Islands and is a trader in base metal futures. In addition the Company has a 100% subsidiary undertaking in Commoditrade Limited, which is a UK company which has been dormant since incorporation and is retained solely for name protection purposes.

Notice of Annual General Meeting

Notice is given that the annual general meeting of the members of the Company will be held at 30 Quai Gustave-Ador, Geneva 3, Switzerland at 10.00a.m. (Geneva time) on 30 April 2009 to consider and, if thought fit, pass the following resolutions

Ordinary resolutions

1 To receive the accounts and reports for the year ended 31 December 2008.

2 To re-elect Chris Adams as a director who is retiring by rotation in accordance with the articles of association of the Company and who being eligible offers himself for re-election.

3 To re-elect Andy Dobie as a director who is retiring by rotation in accordance with the articles of association of the Company and who being eligible offers himself for re-election

4 To re-elect David Phipps as a director who is retiring having been appointed by the Directors since the last annual general meeting and who being eligible offers himself for re-election.

5 To re-appoint Grant Thornton UK LLP as auditors and to authorise the directors to determine their remuneration.

6 That the directors be authorised to disapply the pre-emption rights set out in article 17 of the Company's articles of association, such power to expire at the conclusion of the Company's next annual general meeting, and the directors may allot equity securities following an offer or agreement made before the expiry of the authority and provided that the authority is limited to:

6.1 the allotment of equity securities up to a maximum aggregate nominal amount of £69,853.62 (being equal to 20 per cent. of the issued ordinary share capital of the Company at the date of this notice);

6.2 the allotment of equity securities up to a maximum aggregate nominal amount of £3,492.68 on exercise of the warrant granted to Strand Partners Limited on 21 February 2005 (being equal to one per cent. of the issued ordinary share capital of the Company at the date of this notice); and

6.3 the allotment of equity securities up to a maximum aggregate nominal amount of £33,000.00 in respect of the exercise of share options granted by the Company.

By order of the board

Kitwell Consultants Limited
Secretary

Registered office:
Walkers SPV Limited
Walker House
Mary Street
PO Box 908GT
George Town
Grand Cayman
Cayman Islands

Date: 23 March 2009

Notes to the notice of annual general meeting:

1. A member entitled to attend and note at the above meeting may appoint one or more proxies to attend and, on a poll, vote in his place. A proxy need not be a member of the Company.
2. The instrument appointing a proxy and (in the case of an instrument signed by an agent of the member who is not a corporation) the authority under which such instrument is signed or an office copy or duly certified copy must be deposited at the office of Capita Registrars, The Registry, 34 Beckenham Road, Kent BR3 4TU, not less than 48 hours before the time appointed for the meeting or any adjourned meeting. A prepaid form of proxy for use in respect of the meeting is enclosed.
3. Completion of a form of proxy will not prevent a member from attending and voting in person.
4. Members will be entitled to attend and vote at the meeting if they are registered on the Company's register of members 48 hours before the time appointed for the meeting or any adjourned meeting.
5. In the case of joint holders of the shares in the Company, the vote of the senior holder shall be accepted to the exclusion of the votes of the other joint holder(s). For this purpose, seniority will be determined by the order in which the names appear in the Company's register of shareholders (or the Company's registrars' records).
6. In the case of holders of depository interests representing ordinary shares in the capital of the Company, a form of direction must be completed in order to appoint Capita IRG Trustees Limited to vote on the holder's behalf at the meeting, or if the meeting is adjourned, at any adjourned meeting. To be effective, a completed and signed form of direction must be delivered to Capita Registrars, The Registry, 34 Beckenham Road, Kent BR3 4TU by no later than 72 hours before the time fixed for the meeting or any adjourned meeting.
7. CREST members who wish to appoint a proxy or proxies by using the CREST electronic proxy appointment service may do so for the meeting and any adjournment(s) by using the procedures described in the CREST manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
8. In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a CREST Proxy Instruction) must be properly authenticated in accordance with Euroclear UK & Ireland Limited's (EUI) specifications and must contain the information required for such instructions, as described in the CREST manual. The message must be transmitted so as to be received by the issuer's agent (ID: RA10) by 10.00 a.m. 27 April 2009. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.
9. CREST members and, where applicable, their CREST sponsors or voting service providers should note that EUI does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider takes) such action as necessary to ensure that a message is transmitted by means of CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
10. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

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