COMPANY NO: 6306664

PREMIER ASSET MANAGEMENT GROUP LIMITED

(formerly Harvard Bidco Limited)

ANNUAL REPORT AND FINANCIAL STATEMENTS

♦ *9th July 2007 to 30th September 2008* ♦

CONTENTS

COMPANY INFORMATION

Directors	Mike Vogel, Chairman (non- executive) Mike O'Shea, Chief Executive Neil Macpherson, Finance Director Alex Cooper-Evans, Non-executive Director Tim Syder, Non-executive Director
Registration Number	6306664
Secretary and Registered Office	Neil Macpherson Eastgate Court High Street Guildford Surrey GU1 3DE
Auditors	Grant Thornton UK LLP Chartered Accountants 30 Finsbury Square London EC2P 2YU
Bankers	Lloyds TSB City Office Corporate & Institutional PO Box 72 Bailey Drive Gillingham Business Park Kent ME8 0LS

REPORT OF THE DIRECTORS

The directors submit their report together with the financial statements of Premier Asset Management Group Ltd for the period from 9th July 2007 to 30th September 2008.

Principal activities and business review

The principal activity of the Company is that of a holding company. The principal activities of the subsidiary undertakings are that of managers of open and closed ended investment funds as well as discretionary portfolio managers.

The Company was incorporated on 9th July 2007 in order to facilitate the management buy-out of Premier Asset Management plc ("Premier"), an AIM listed investment management firm. On 16th July 2007 the Company and the Independent Directors of Premier announced that they had reached agreement on the terms of a recommended final cash offer made by the Company for the entire issued and to be issued ordinary share capital of Premier. On 28th August 2007 Premier formally announced that the Final Offer had been declared wholly unconditional and that it intended to use the provisions of the Companies Act 2006 to compulsorily acquire all remaining shares. Following the completion of the transaction Premier cancelled its listing on AIM on 8th October 2007 and was subsequently re-registered as a private limited company with effect from 10th January 2008.

The reporting period under review has probably seen one of the worst times in recent years for market turmoil, with the impact of the credit crunch impacting heavily on stock markets across the globe. As at 30th September 2008 funds under management stood at £1.46 billion as compared to £1.87 billion as at 30th September 2007.

Long term strategy and business objectives

There are five main objectives, these are as follows:

- To grow profitability
- To grow funds under management, maintaining, and where possible, improving margins
- To keep costs under control
- To continue to look for suitable acquisition targets that will deliver scale, strengthen our existing business lines or allow us to develop into new areas
- To create value from our administration capabilities

Risks and uncertainty

The Group's principal financial assets are bank balances, trade and other receivables and investments. The key risks to which the Group is exposed are credit risks, market price risks and operational risks, each of which is described in more detail below.

Credit risk

The Group credit risk is primarily focused on trade receivables in relation to its OEIC business. The risk is that a counterparty fails to settle on a trade and thereby creating an illiquid asset. However, in such cases the Group has the ability to arrange with the trustees of the relevant fund to cancel the trade and to liquidate the units issued, thereby settling the trade. A possible exposure will arise in such an instance whereby the price achieved on a cancellation of a trade is less than the original price at which the units were issued.

The credit risk on liquid assets is limited because the counterparties are banks with relatively high credit ratings.

The Group has no significant concentration of credit risk as exposure is spread over a large number of counterparties and customers.

Market price risk
Market price risk arises where there is uncertainty or significant volatility in the world's stock markets. The Group's turnover consists primarily of management fees generated on funds that are managed within the group; these funds are predominantly invested in quoted equities and such volatility and/or uncertainty can materially affect the value of the funds on which management fees are generated.

The funds under management are managed such that the asset allocation minimises the risk associated with particular countries or industry sectors whilst continuing to follow the relevant funds investment objectives.

Operational risk
Operational, reputational and legal risks are monitored by the Board which has delegated the risk monitoring to a team of senior management that reports directly to the Executive. The group has implemented a Risk Map which identifies and allocates senior management responsibility for monitoring and controlling identified risks. The risk map is reviewed at six monthly intervals to ensure that risk controls remain effective and up to date.

Results and dividends
The Group's loss after taxation for the financial period of £8,787,177 will be taken from reserves. The directors do not recommend the payment of a dividend.

Directors and their interests
The directors who served the company during the period are set out on page 1. The interests of the directors at the period end in the shares of Premier Asset Management Group Limited:

	Ordinary Shares of 5p each Premier Asset Management Group Limited 30th September 2008
N Macpherson	250,061
M P O'Shea	848,411
M Vogel	330,593
A Cooper-Evans *	-
T Syder *	-

	Preference Shares of 95p each Premier Asset Management Group Limited 30th September 2008
N Macpherson	250,061
M P O'Shea	848,411
M Vogel	220,395
A Cooper-Evans *	-
T Syder *	-

* Neither Tim Syder nor Alex Cooper-Evans have a beneficial interest in the share capital of the Company; however they are both partners in Electra Partners LLP, the investment manager of Electra Private Equity PLC which, via its associate, Electra Private Equity Partners 2006 Scottish LP, holds 2,043,649 ordinary shares of 5p each and 2,043,649 preference shares of 95p each in the Company.

Options to subscribe for Ordinary Shares

	Premier Asset Management Group Limited (95p each) 30th September 2008
N Macpherson	33,000
M P O'Shea	50,000
M Vogel	670,769
A Cooper-Evans	-
T Syder	-

Payment policy

The Group does not follow a published code or standard on payment practice. It is the Group's policy to settle the terms of payment with each supplier when agreeing the terms of the transaction and to ensure that suppliers are aware of these terms and to abide by them. As a requirement of the Financial Services Act, all repurchases and creations of units in Open Ended funds are settled within four working days of receiving properly renounced certificates.

At the balance sheet date, the Group had an average of 11 days outstanding in respect of approved open ended fund repurchases and creations and the parent company had no trade creditors at the period end.

Audit information

Pursuant to s234ZA(2) of the Companies Act 1985, each of the directors confirms that: (a) so far as they are aware, there is no relevant information of which the Auditors are not aware; and (b) they have taken all steps they ought to have taken to make themselves aware of any relevant audit information and to establish that the Auditors are aware of such information.

Auditors
A resolution to re-appoint Grant Thornton as auditors of the company will be proposed at the forthcoming Annual General Meeting.

Approved and signed on behalf of the Board

Neil Macpherson
Company Secretary
29 January 2009

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Statement of Directors' Responsibilities for the Annual Report

Company law in the United Kingdom requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors have:

- selected suitable accounting policies and applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- followed applicable United Kingdom accounting standards; and
- prepared the financial statements on the going concern basis.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for ensuring that the Report of Directors and other information included in the Annual Report is prepared in accordance with company law in the United Kingdom.

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF PREMIER ASSET MANAGEMENT GROUP LIMITED

We have audited the group and parent company financial statements of Premier Asset Management Group Limited for the period ended 30th September 2008 which comprise the Principal Accounting Policies, Consolidated Profit and Loss Account, the Consolidated Balance Sheet, the Company Balance Sheet, the Reconciliation of Movements in Shareholders' Funds, the Consolidated Cash Flow Statement and notes 1 to 19. These 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, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's 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 Directors' Report and financial statements in accordance with United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Report of the Directors is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it. Our responsibilities do not extend to the Report of the Directors.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group and company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the group's and parent company's affairs as at 30th September 2008 and of the group's loss for the period then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Report of the Directors is consistent with the financial statements.

Grant Thornton UK LLP

Grant Thornton UK LLP
Registered Auditor & Chartered Accountants
London
29 January 2009

PRINCIPAL ACCOUNTING POLICIES

The following policies are considered material in relation to the financial statements. The policies have been consistently applied throughout the period. In all material respects, these financial statements are prepared in accordance with applicable UK Accounting Standards.

Basis of accounting

The financial statements are prepared under the historical cost convention.

Basis of consolidation

The group financial statements consolidate those of the Company and of its subsidiary undertakings (see note 9), together with the group's share of the operating results and net assets of its associate drawn up to 30th September 2008. The results of subsidiary undertakings acquired during a year are included from the date of acquisition. Profits or losses on intra-group transactions are eliminated in full. On acquisition of a subsidiary, all of the subsidiary's identifiable assets and liabilities which exist at the date of acquisition are recorded at their fair values reflecting their condition at that date.

The parent company has adopted the provisions of Section 230 of the Companies Act 1985 and has not included its own profit and loss account in these financial statements. The parent Company's loss for the period was £969,920 after taxation.

Associates and Joint Ventures

A joint venture is an entity in which the Group holds a long-term interest and which is jointly controlled by the Group and one or more other ventures under a contractual arrangement. An associate is an undertaking, not being a subsidiary or joint venture, in which the Group's interest is substantial and for the long term and, having regard to the disposition of the other shareholdings, the Group is in a position to exercise a significant influence over its policies and participates in its commercial and financial decisions.

The Group's share of the profits less losses of joint ventures and associates is included in the consolidated profit and loss account on the equity accounting basis or, in the case of joint ventures, the gross equity accounting basis. The Group's share of the attributable proportion of the reserves from the dates of acquisition of joint ventures and associates is included in the consolidated balance.

Turnover

Turnover represents commissions and management fees receivable, excluding value added tax, derived from the provision of services to clients and are accounted for in the period in which they are earned.

Intangible fixed assets

Investment management contracts purchased by the Group are capitalised as intangible fixed assets and stated at cost less a provision for amortisation. In calculating the cost, the total consideration, both actual and deferred, is taken into account. Where the deferred consideration is contingent and dependant upon future events, an estimate of the likely consideration payable is made. Amortisation is calculated to write off the cost of the asset on a straight line basis over its expected useful economic life. The useful economic life is determined at the time of the acquisition and reviewed at the end of each reporting period. Intangible fixed assets currently held are amortised over periods ranging from 7 to 20 years depending on the nature of the assets purchased.

Goodwill

Goodwill is the excess of the cost of an acquired entity over the aggregate of the fair values of that entity's identifiable assets and liabilities. All goodwill arising on consolidation of acquisitions has been capitalised and is being amortised on a straight line basis over the estimated useful economic life, estimated to be 20 years.

Impairment of intangible fixed assets and goodwill

Intangible fixed assets and goodwill are subject to an impairment review in the first full year following acquisition and in other periods if events or changes in circumstances indicate that the carrying values may not be recoverable.

Fixed asset investments

The investments in subsidiaries and associate held by the Company are stated at cost less any provision for permanent diminution in value. The investment in associate is accounted for in the financial statements of the group under the equity method of accounting.

Current asset investments

Current asset investments are stated at the lower of cost and net realisable value.

Depreciation

Depreciation is provided on the cost of tangible fixed assets on a straight line basis to write off the difference between the cost of each asset and the residual value at the following rates over their estimated useful life:

Short leasehold property	— over the remaining term of the lease
Plant and machinery	— 5 years
Computer equipment	— 3 years
Motor vehicles	— 3 years
Fixtures and fittings	— 15%

Foreign Currency

Transactions denominated in foreign currencies are recorded at a fixed exchange rate for the year. Assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the year end. Profits or losses generated on foreign exchange transactions made during the normal course of business are recognised in the profit and loss account.

Leasing

Rentals payable under operating leases are charged to the profit and loss account on a straight line basis over the period of the leases. Lease incentives in connection with property leases are amortised over the period from the date of inception of the lease through to the date of the first rent review.

Pensions

The Company operates a defined contribution scheme for its employees and the executive directors.

The contributions are paid to a life assurance company or SIPP provider to secure the benefits accruing to members. Contributions are charged against profits as they fall due. The funds of the scheme are held separately to those of the Company.

Taxation
The payment of taxation is deferred or accelerated because of timing differences between the treatment of certain items for accounting and taxation purposes. Full provision for deferred taxation is made under the liability method, without discounting, on all timing differences that have arisen, but not reversed by the balance sheet date, unless such provision is not permitted by Financial Reporting Standard 19.

Dividends
Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders.

Consolidated Profit and Loss Account

For the period ended 30th September 2008

	Notes	9 July 2007 to 30 September 2008 £
TURNOVER	1	22,351,265
Operating expenses		
Amortisation		(3,110,361)
Other operating expenses		(21,343,332)
Exceptional items	2	(387,760)
Total operating expenses		(24,841,453)
Operating loss		(2,490,188)
Share of profit of associate		62,200
Net interest payable	3	(6,518,100)
Loss on ordinary activities before taxation		(8,946,088)
Tax on loss on ordinary activities	4	158,911
Loss on ordinary activities after taxation for the financial period		(8,787,177)

All the amounts relate to continuing operations. The group has no recognised gains or losses other than those reported above.

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

Consolidated Balance Sheet
At 30th September 2008

	Notes	2008 £	2008 £
FIXED ASSETS			
Intangible assets			
- Goodwill	6		18,789,103
- Other	5		29,677,930
			48,467,033
Tangible assets	7		415,223
Investments in associate	8		208,850
			49,091,106
Current Assets			
Investments	10	179,327	
Debtors	11	7,338,394	
Cash		6,813,496	
		14,331,217	
Creditors: Amounts falling due within one year	12	(10,617,117)	
Net Current Assets			3,714,100
Creditors: Amounts falling due after more than one year	13		(51,474,622)
Total assets less liabilities			1,330,584
Called up share capital	14		266,257
Share premium account			9,851,504
Profit and loss account			(8,787,177)
Shareholders' funds			1,330,584

The financial statements were approved on behalf of the Board of Directors on 29 January 2009.

Mike O'Shea
Chief Executive

Neil Macpherson
Finance Director

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

Company Balance Sheet
At 30th September 2008

	Notes	2008 £	2008 £
FIXED ASSETS			
Investments in subsidiaries	9		15,137,999
			15,137,999
Current Assets			
Debtors	11	151,253	
Cash		181,362	
		332,615	
Creditors: Amounts falling due within one year	12	(424,149)	
Net Current Liabilities			(91,534)
Creditors: Amounts falling due after more than one year	13		(5,898,624)
Total assets less current liabilities			9,147,841
Called up share capital	14		266,257
Share premium account			9,851,504
Profit and loss account			(969,920)
Shareholders' funds			9,147,841

The financial statements were approved on behalf of the Board of Directors on 29 January 2009.

Mike O'Shea
Chief Executive

Neil Macpherson
Finance Director

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

Reconciliation of Movement in Shareholder's Funds

For the period ended 30th September 2008

	Share capital £	Share premium £	Profit & loss account £	Total £
The Group				
At 9th July 2007	-	-	-	-
Shares issued during the period	266,257	9,851,504	-	10,117,761
Retained loss for the period	-	-	(8,787,177)	(8,787,177)
At 30th September 2008	266,257	9,851,504	(8,787,177)	1,330,584
The Company				
At 9th July 2007	-	-	-	-
Shares issued during the period	266,257	9,851,504	-	10,117,761
Retained loss for the year	-	-	(969,920)	(969,920)
At 30th September 2008	266,257	9,851,504	(969,920)	9,147,841

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

Consolidated Cash Flow Statement

For the period ended 30th September 2008

	Notes	2008 £	2008 £
Net cash outflow from operating activities	15		(2,099,301)
Profit distribution received from associate/joint venture			51,000
Returns on investments and servicing of finance			
Interest received		363,475	
Interest paid		(1,480,491)	
Net cash outflow from returns on investments and servicing of finance			(1,117,016)
Taxation			
UK corporation tax refund			9,080
Capital expenditure and financial investment			
Purchase of tangible fixed assets	7	(113,787)	
Sale of current asset investments		240,529	
Purchase of intangible fixed assets		(9,475)	
Sale of tangible fixed assets		17,411	
Net cash inflow from capital expenditure and financial investment			134,678
Acquisitions and disposals			
Purchase of subsidiary undertaking	9	(48,097,326)	
Sale of shares in joint venture		801,050	
Net cash outflow from acquisitions and disposals			(47,296,276)
Financing			
Issue of shares (net of expenses)		15,176,641	
Bank loans	13	14,750,000	
Other loans	13	27,148,211	
Net cash inflow from financing			57,074,852
Increase in cash	16		6,757,017

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

NOTES TO THE FINANCIAL STATEMENTS

1. Turnover and loss on ordinary activities before taxation

Turnover relates to commissions and fees receivable and arose primarily in the United Kingdom. A split of turnover by geographical region is as follows:

	2008
	%
United Kingdom	87.7
Channel Islands	8.6
Ireland	3.7

(a) Loss on ordinary activities before taxation is stated after charging:

	2008
	£
Depreciation	135,887
Operating leases - Rent	274,077
Amortisation	3,110,361
Exceptional Items	387,760

Auditors remuneration

	£
Fees payable to the Company's auditors for the audit of the annual financial statements	54,160
Fees payable to the Company's auditors and its associates for other services	
- Audit of the financial statements of the Company's subsidiaries pursuant to legislation	26,124
- Other services pursuant to legislation – regulatory reporting	9,500
- Other services relating to taxation	26,268
- All other services	36,950
	153,002

Fees payable to the Company's auditors, Grant Thornton UK LLP, and its associates for non-audit services to the Company itself are not disclosed in the individual financial statements of the Company because the Company's group financial statements are required by the Companies (Disclosure of Auditor Remuneration) Regulations 2005, regulation 5(1), to disclose such fees on a consolidated basis.

(b) Staff costs

	2008 £
Staff costs during the period were as follows:	
Wages, bonus & performance fee share	4,507,081
Social security costs	601,702
Other pension costs	284,080
	5,392,863

	2008 £
Directors' emoluments during the period were as follows:	
Remuneration	335,000
Pension contributions	35,625
	370,625

The number of directors accruing benefits under money purchase pension schemes at the period end was two.

	2008 £
Emoluments received by the highest paid director were as follows:	
Remuneration	175,000
Pension contributions	21,875
	196,875

The average number of employees of the group during the period was 84 who were engaged in the following activities:

	2008 Number
Directors	5
Fund management	21
Sales and Marketing	22
Finance and Systems	5
Legal & Compliance	5
Administration	26

2. Exceptional Items

The exceptional costs of £387,760 are directly related to the closure of the Aylesbury office and the relocation of the administration function to Guildford. Exceptional costs recognised within the operating loss are as follows:

	2008 £
Staff redundancy costs	246,377
Staff costs	51,239
Legal & professional fees	45,144
Office costs	45,000
	387,760

3. Net interest payable

	2008 £
Bank interest receivable	363,475
	363,475
Bank interest payable	1,339,037
PIK interest payable	5,542,538
	6,881,575
Net interest payable	6,518,100

4. Taxation

	2008 £
Current period tax charge	-
Prior year adjustment	(158,911)
Deferred tax	-
	(158,911)

Current Taxation

The current taxation charge for the period is different from the standard rate of corporation tax in the UK (30%). The differences are explained below.

	2008 £
Loss on ordinary activities before taxation	(8,946,088)
Theoretical tax at UK corporation tax rate of 29%	(2,594,366)
Effects of:	
- Other expenditure which is not tax deductible	1,497,591
- Excess of depreciation over capital allowances	3,613
- Amortisation not deductible	25,469
- UK dividends not taxable	(958,740)
- Profits taxable at lower rate of taxation	1,633,951
- Utilisation of losses brought forward	(46,916)
- Unutilised losses carried forward	439,398
- Adjustment in respect of prior year	(158,911)
- Actual current tax credit	(158,911)

Factors that may affect future tax charges

The Group has both provided and unprovided deferred tax assets as outlined below. The benefit of the unprovided deferred tax asset will be realised when the Group has sufficient taxable profits, the timing of which is currently uncertain.

	2008 £
Provided Trading losses	279,000
Unprovided deferred tax asset	
Accelerated capital allowances	846
Pension accrued	15,093
Trading losses	1,460,150
Non trade loan relationship losses	264,479
Excess management expenses	90,451
	2,110,019

The unprovided deferred tax asset has been calculated at the standard rate of corporation tax in the UK of 28% (2007: 29%) because of uncertainty as to the average rate of tax that will apply when the underlying timing differences will reverse.

5. Intangible Fixed Assets

The movement in Intangible Fixed Assets during the period is analysed as follows:

	Group £	Company £
Cost		
At 9th July 2007	-	-
Acquisition of subsidiary (Note 9)	30,213,300	-
Additions	2,543	
At 30th September 2008	30,215,843	-
Amortisation		
At 9th July 2007	-	-
Charge for period	537,913	-
At 30th September 2008	537,913	-
Net book value at 30th September 2008	29,677,930	-
Net book value at 9th July 2007	-	-

Premier Asset Management Ltd has continued to purchase PEP/ISA transfer business from certain Independent Financial Advisors. The cash consideration paid during the period amounts to £4,770.

6. Goodwill

The movement in goodwill during the period is analysed as follows:

	Group £
Cost	
At 9th July 2007	-
Acquisition of subsidiary (Note 9)	21,361,551
	21,361,551
Amortisation	
At 9th July 2007	-
Charge for period	2,572,448
At 30th September 2008	2,572,448
Net book value at 30th September 2008	18,789,103
Net book value at 9th July 2007	-

7. Tangible Fixed Assets

	Short Leasehold land and buildings £	Plant, Motor Vehicles, Fixtures and fittings £	Total £
Group			
Cost			
At 9th July 2007	-	-	-
Acquisition of subsidiary (Note 9)	132,414	327,836	460,250
Additions	-	113,787	113,787
Disposal	-	(47,324)	(47,324)
At 30th September 2008	132,414	394,299	526,713
Depreciation			
At 9th July 2007	-	-	-
Provided in period	16,666	119,221	135,887
Disposal	-	(24,397)	(24,397)
At 30th September 2008	16,666	94,824	111,490
Net book value at 30th September 2008	115,748	299,475	415,223
Net book value at 9th July 2007	-	-	-

8. Investment in Associate

	Group £	Company £
Cost		
At 9th July 2007	-	-
Acquisition of subsidiary (Note 9)	209,900	-
Additions	-	-
At 30th September 2008	209,900	-
Share of Net Assets		
At 9th July 2007	-	-
Share of net assets movement during the period	(1,050)	-
At 30th September 2008	(1,050)	-
Net book value at 30th September 2008	208,850	-
Net book value at 9th July 2007	-	-

9. Investment in Subsidiaries

	Company £
Cost	
At 9th July 2007	-
Acquisition of subsidiary	56,408,646
Additions	-
At 30th September 2008	56,408,646
Net book value at 30th September 2008	56,408,646
Net book value at 9th July 2007	-

On 28th August 2007 the Company, directly and indirectly, purchased the entire issued share capital of Premier Asset Management Ltd for a total consideration of £51,884,848 which was satisfied with cash of £43,998,260 and a share for share exchange with a fair value of £7,886,588. Direct costs relating to the acquisition amounted to £4,523,797.

	Proportion of voting rights and shares held	Consideration £	Direct costs £	Total £	Net assets acquired £	Goodwill £
(i) Directly held						
Premier Asset Management MidCo Ltd	100%	15,122,110	15,889	15,137,199	15,122,110	15,889
(ii) Indirectly held						
Premier Asset Management Holdings Ltd	100%	41,920,321	-	41,920,321	41,920,321	-
Premier Asset Management Ltd	100%	51,884,849	4,507,909	56,392,758	11,055,122	45,337,636

The assets and liabilities arising from the acquisition are as follows:

	Fair value £	Acquirers' carrying amount £
Cash and cash equivalents	8,910,656	8,910,656
Property, plant and equipment	460,250	460,250
Intangible assets	6,221,327	6,221,327
Investments	629,756	629,756
Receivables	8,299,690	8,299,690
Payables	(13,466,557)	(13,466,557)
Net assets acquired	11,055,122	11,055,122

At 30th September 2008 the Company held (directly and indirectly) 100% of the allotted share capital of the following subsidiary undertakings, all of which are incorporated in Great Britain with the exception of Premier Asset Management (Guernsey) Ltd which is incorporated in Guernsey. All subsidiary undertakings are consolidated within the group accounts.

	Class of share Capital held	Proportion of voting rights and shares held	Nature of business
(i) Directly held			
Premier Asset Management MidCo Limited (formerly Harvard Midco Limited)	Ordinary	100%	Holding Company
(ii) Indirectly held			
Premier Asset Management Holdings Limited (formerly Harvard Holdings Limited)	Ordinary	100%	Holding Company
Premier Asset Management Limited	Ordinary	100%	Holding Company
Premier Investment Group Limited	Ordinary	100%	Holding Company
Premier Portfolio Managers Limited	Ordinary	100%	Investment Manager/ACD
PAM Plc	Ordinary	100%	Dormant
Renewable Energy Generation Limited	Ordinary	100%	Dormant
Premier Asset Management (Guernsey) Limited	Ordinary	100%	Fund Manager
Eastgate Court Nominees Ltd	Ordinary	100%	Nominee Company
Premier Fund Managers Limited	Ordinary	100%	Fund Manager
Premier Investment Administration Limited	Ordinary	100%	Dormant
Premier Discretionary Asset Management Plc	Ordinary	100%	Dormant
Premier Fund Services Limited	Ordinary	100%	Dormant
Eastgate Capital Limited	Ordinary	100%	Dormant
Mortgage Administration Limited	Ordinary	100%	Dormant

10. Current Asset Investments

	Group 2008 £	Company 2008 £
Other Investments		
- quoted	73,217	-
- unquoted	106,110	-
	179,327	-

The aggregate market value of the group's investments as at 30th September 2008 was £177,587.

11. Debtors

	Group 2008 £	Company 2008 £
Trade Debtors	4,666,088	-
Amount owed by group undertakings	-	132,536
Prepayments and accrued income	1,129,504	18,717
Corporation tax	19,275	-
Deferred tax	279,000	-
Other	1,244,527	-
	7,338,394	151,253

The deferred tax asset of £279,000 is due after more than one year.

12. Creditors: Amounts falling due within one year

	Group 2008 £	Company 2008 £
Bank overdraft	56,479	-
Trade creditors	7,200,675	-
Amounts owed to group undertakings	-	406,151
Social security and other taxes	152,450	-
Other creditors	2,077,772	2,998
Accruals	1,129,741	15,000
	10,617,117	424,149

13. Creditors: Amounts falling due after more than one year

	Group 2008 £	Company 2008 £
Bank loans	14,190,828	-
Other loans	31,367,790	-
Finance lease	17,380	-
Accruals	839,744	839,744
5,325,137 preference shares of 95p each	5,058,880	5,058,880
	51,474,622	5,898,624

The bank loan consists of three facilities comprising of £5,000,000 which is repayable over 6 years and bears interest at 6 month Libor +2.25%; £4,000,000 which is repayable by two equal instalments in March and September 2015 and bears interest at 6 month Libor +2.75%; £5,190,828 which is repayable by two equal instalments in March and September 2016 and bears interest at 6 month Libor +7.75%.

The other loan of £27,148,211 is repayable on 28 September 2016 and bears interest at 14.9% per annum.

The preference shares were issued in tranches during the reporting period and are redeemable on the 10 year anniversary at the request of the holder.

14. Share Capital

	2008 £
Authorised 6,200,000 ordinary shares of 5p each	310,000
Allotted, issued and fully paid: 5,325,137 ordinary shares of 5p each	266,257

15. Net Cash Flow From Operating Activities

	2008 £
Loss on ordinary activities before taxation	(8,946,088)
Sale of share of joint venture	(800,000)
Interest received	(363,475)
Interest paid	1,480,491
Depreciation	135,887
Profit on disposal of fixed assets	(1,478)
Amortisation	3,110,361
Profit received from associate	(51,000)
Movement in debtors	956,547
Movement in creditors	2,379,454
Net cash outflow	(2,099,301)

16. Reconciliation of Net Cash Flow to Movements in Net Funds

	2008 £
Increase in cash during the period	6,757,017
Net funds brought forward	-
Net funds carried forward	6,757,017

17. Analysis of Changes in Net Funds

	At 9/7/07 £	Cash flow £	At 30/9/08 £
Cash in hand at bank	-	6,813,496	6,813,496
Overdrafts	-	(56,479)	(56,479)
	-	6,757,017	6,757,017

18. Leasing Commitments

The group had annual commitments under non-cancellable operating leases as follows:

	Land and Buildings
	2008
	£
Expiring:	
After more than five years	310,000

19. Related Party Transactions

The Company has incurred consultancy fees amounting to £75,000 with Electra Partners LLP, of which Alex Cooper-Evans and Tim Syder are both partners. The balance outstanding at the end of the period was £nil.