

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The separate Accounts of the Company are presented as required by the Companies Act 2006. They have been prepared under the historical cost convention and in accordance with applicable United Kingdom Accounting Standards ("UK GAAP").

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding year.

The Company has taken the exemption from FRS 29 "Financial Instruments: Disclosures" provided for a Parent Company's single entity financial statements.

SHARE-BASED PAYMENTS

The accounting policy for share-based payments is consistent with that of the Group as detailed on page 73.

FINANCIAL INSTRUMENTS

The accounting policy for financial instruments is consistent with that of the Group as detailed on page 74.

FINANCIAL ASSETS AND LIABILITIES

The accounting policy for financial assets and liabilities is consistent with that of the Group as detailed on pages 73 to 74.

INVESTMENTS

Fixed asset investments in subsidiaries are shown at cost less provision for impairment.

FOREIGN CURRENCY

Transactions denominated in foreign currencies are recorded in the local currency at actual exchange rates as of the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the year end are reported at the rates of exchange prevailing at the year end.

Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss in the Profit and Loss Account.