

ORA Capital Partners Limited
Annual Report and Accounts 2011



Capital Partners Limited



Directors and Officers

DIRECTORS

Richard Griffiths
(Executive Chairman)

Michael Bretherton
(Finance Director)

James Ede-Golightly
(Non-Executive Director)

Beatrice Hollond
(Non-Executive Director)

COMPANY SECRETARY

James Ede-Golightly

COMPANY NUMBER

49907 (registered in Guernsey)

COMPANY WEBSITE

www.oracp.com

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Contents

Chairman's Statement	2
Directors' Report	5
Directors' Remuneration Report	10
Corporate Governance Statement	13
Statement of Directors' Responsibilities	15
Auditor's Report	16
Consolidated Statement of Comprehensive Income	18
Consolidated Statement of Changes In Equity	19
Consolidated Statement of Financial Position	20
Consolidated Statement of Cash Flows	21
Notes to The Financial Statements	22
Notice of Annual General Meeting	47

Chairman's Statement

ORA Capital Partners Limited ("ORA") delivered another strong performance in the year ended 31 January 2011 with Group profits before tax from continuing operations for the period of £29.3 million compared to a profit of £56.3 million in the previous year.

These results include the benefit of ORA's first significant investment portfolio disposals which generated cash proceeds of £25.1 million and realised a £23.8 million overall profit of which £2.9 million arose as a profit in the year, coupled with £20.9 million of previously recorded unrealised gains generated in earlier periods.

As a mechanism for enhancing capital efficiency, all of these investment portfolio disposal proceeds went towards completing the buy-back and cancellation of 27.9 million shares in ORA at a cost of £26.3 million, representing an average buy-back price of 94.3p per share.

Net assets attributable to holders of ORA at 31 January 2011 were £130.0 million (equivalent to 204.4p per share, excluding treasury shares held) compared with £127.0 million (equivalent to 138.8p per share) at the 31 January 2010 year end. The increase in net assets per share reflects both the profit performance in the year and the lower share capital base as reduced by share buy-backs, share cancellations and treasury shares.

The Group continues to benefit from a strong balance sheet with cash balances of £9.0 million and liquid trading investments of £22.7 million (net of derivative assets and liabilities) at 31 January 2011 versus cash balances of £21.1 million and comparable liquid trading investments of £14.1 million at 31 January 2010.

ORA is a holding and management company whose principal activity is the development and growth of trading companies within its business portfolio, the current focus of which is on technology, resources and financial services.

Business portfolio

The profit before tax attributable to our business portfolio was £28.3 million for the period compared to £44.7 million in the previous year.

An overview of the activities of the portfolio businesses in which ORA has a holding of 20 per cent. or more is given below.

Nanoco Group Plc ("Nanoco") is a leading AIM listed nanotechnology company involved in the development and manufacture of fluorescent semi-conducting materials called quantum dots with the ability to emit intense light of a specific colour. Nanoco is focussing on key markets covering LED lighting, displays and solar cells. The company has entered into strategic partnerships with two major Japanese corporations to develop quantum dot based LEDs for use as a backlight in LCD displays and has also signed a joint development agreement with another major Japanese corporation for the development of a solar photovoltaic nanomaterial film. Good progress was made in achieving development milestones under all of these agreements in the period and in addition, the company successfully built and commissioned a production facility that has now delivered commercial quantities of cadmium-free quantum dots, which is a world first. Nanoco undertook a £15 million fundraising in January 2011 following which it had cash balances of approximately £18 million that will mainly be used to accelerate the Company's production programme. ORA retains a holding of 20.0 per cent. in Nanoco.

Oxford Advanced Surfaces Group Plc (“OAS”) is an AIM listed company that develops and commercialises advanced materials and technology solutions using its patented VISARC™ nanoparticle and Onto™ reactive chemistry surface modification technologies. OAS is focussed on three major markets where it is able to add significant benefits, notably anti-reflective coating (ARC), advanced adhesives and also composite materials. During the period, OAS prioritised its VISARC™ development for eyewear with further internal work continuing for display screens and solar cells. In reactive chemistry the emphasis was on adhesion and surface functionalisation to the printed electronics market. Development of Onto™ Surface Functionalisation for composite materials continues in-house. OAS has a solid balance sheet and held cash balances of £7.5 million at the end of December 2010 which is sufficient to take its technology through to commercialisation. The company plans to access the target markets through joint development and licencing partnerships with large global corporations and expects to sign a number of such collaborative deals in the current year. At 31 January 2011, ORA held 25.5 per cent. of the issued share capital of the company.

Tissue Regenix Group Plc (“TRG”) was admitted to the AIM market in June 2010 through the reverse acquisition of Oxeco Plc. TRG aims to commercialise the production of biocompatible regenerate tissue implants using its proprietary platform dCELL® Technology process for the production of biological scaffolds created from human or animal tissue. When these are implanted into the body, they are repopulated with the patient’s own cells using natural biological repair mechanisms to replace worn out or diseased body parts without the use of anti-rejection drugs. The potential applications of this process are diverse and address many critical clinical needs such as heart valve replacement, knee repair and vascular disease. The company has validated its dCELL® Technology by developing the dCELL® Vascular Patch through to CE regulatory approval in August 2010 and another vascular product, the Arterial-Vascular graft, is currently undergoing preclinical trials. The company has appointed a UK distributor for the dCELL® Vascular Patch and is looking to appoint a number of European distributors in the current year. TRG is now working towards receiving FDA approval for this product in the US. In addition, TRG continues development of its dCELL® Meniscus product, for the repair of damaged knees and is also accelerating its dCELL® heart valve programme. At 31 January 2011, ORA held 27.6 per cent. of the issued share capital of TRG.

Oxford Nutrascience Group Plc (“ONG”) listed on the AIM market in February 2010. The company is developing a strong portfolio of pharmaceutical and drug delivery technologies and is using these to produce novel applications of generic or soon to be off patent active pharmaceutical ingredients for high value applications in the Over the Counter (“OTC”) and Prescription markets. Specifically, the company specialises in formulating products that are easier or more pleasant to take for geriatric or pediatric markets as well as modified release formulations for various clinical benefits. During the period, ONG validated its platform technology for chewable Chewitabs™ tablets and liquid suspensions and also established proof of concept for the taste masking of Ibuprofen. This is a popular pain relief drug that is available OTC and importantly, ONG’s process also removes the typical burning sensation the drug can cause in the throat. By combining this technology with ONG’s delivery format technologies, the company is proceeding to develop “no burn” chewable and liquid Ibuprofen products. This is a significant market opportunity for Oxford Nutrascience and the interest being shown from the major companies currently selling Ibuprofen products confirms this. ORA held 34.9 per cent. of the issued share capital of the company at 31 January 2011.

Chairman's Statement (continued)

Obtala Resources Limited ("Obtala") is the Guernsey based and AIM listed holding company of a mining and exploration and development group whose principal assets are mainly based in Africa. Obtala's Sierra Leone diamond mining interests were transferred in to Paragon Diamonds Limited ("Paragon") during the year and Paragon was listed on AIM in November 2010. Paragon has subsequently acquired diamond exploration interests in Lesotho, Zambia and Tanzania, which acquisitions were settled in shares and these, together with share issue placings for cash, have diluted Obtala's holding in the company to 57.9 per cent. During the year, Obtala continued development of the Montara farming venture in Southern Tanzania and also acquired an 80 per cent. interest in a Lithium Brine project in an established production region of Argentina. Subsequent to the year end, Obtala has also acquired interests in an Iron Ore and a Tin project in South Africa. In addition, Obtala raised cash of £6 million from a share placing in March 2011, following which ORA's holding in the company was diluted to 22.9 per cent.

Novum Securities Limited ("Novum") was founded in 2006 as a Financial Services Authority authorised firm able to provide agency broking and corporate finance advice to intermediate customers and market counterparties. In August 2009, Novum broadened its profile to commence trading in a principal capacity, assessing stocks and acting as a market maker in UK domestic securities. Novum is now a profitable independent stockbroking house focused on the UK securities market and which specialises in providing discrete and highly professional sales and execution to institutional and high net worth clients alongside market making and corporate finance services to quoted and private companies. At 31 January 2011, ORA held 43.4 per cent. of the issued share capital of Novum.

Financial Trading

Surplus cash may be committed to specific opportunities where the management team considers there to be potential for value creation which may include acquisition of equities and derivative financial instruments. These activities are reported under Financial Trading inclusive of related funding costs. The profit before tax attributable to Financial Trading in the year ended 31 January 2011 was £1.0 million compared to £11.6 million in the previous year.

Outlook

ORA delivered a strong financial performance in the year to 31 January 2011 and the current period has started well. The focus for ORA itself is to retain the management disciplines and shareholder alignment around which the Company was founded, whilst running a low cost base and maintaining a strong balance sheet.

I am confident we will see a number of excellent opportunities in the current year and believe ORA remains well placed, with a focused business model and a strong balance sheet, to invest in and build additional businesses with great potential. ORA will also continue to work with its existing businesses to generate further value for shareholders.

Finally, I would like to thank our employees and the managers of our business portfolio companies for all their hard work and commitment in the continued growth and development of the Group during the period.

Richard Griffiths
Executive Chairman

10 May 2011

Directors' Report

PRINCIPAL ACTIVITIES

ORA is a holding and management company whose principal activity is the development and growth of trading companies within its business portfolio, the current focus of which is on technology, resources (including renewable resources), and financial services. Further information on the principal activities is given in the Chairman's statement on pages 2 to 5.

Details of the Group's principal business portfolio investments held at 31 January 2011 are given in note 9 of the financial statements. The principal companies comprise:

Undertaking	Sector	Web address
Nanoco Group Plc	Technology	www.nanocotech.com
Novum Securities Limited	Financial Services	www.novumsecurities.com
Obtala Resources Limited	Resources	www.obtalaresources.co.uk
Tissue Regenix Group Plc	Technology	www.tissueregenix.com
Oxford Advanced Surfaces Plc	Technology	www.oxfordsurfaces.com
Oxford NutraScience Group Plc	Technology	www.oxfordnutrascience.com

Details of the Group's subsidiaries at 31 January 2011 are given in note 22 of the financial statements and comprise:

Undertaking	Sector	Share of issued ordinary share capital 31 January 2011
		%
ABWAY Enterprises Corp.	Derivatives and equities trading	100.0
OCS Trading Limited	Derivatives and equities trading	100.0
ORA (Guernsey) Limited	Investment holding and management	100.0
ORA Capital Services Limited	Professional and administration services	100.0

ORA Capital Services Limited provides accountancy, legal and administrative services to other Group companies and to a number of the Group's principal business portfolio investments.

BUSINESS REVIEW

A review of the Group's performance and future prospects is included in the Chairman's Statement on pages 2 to 5.

KEY PERFORMANCE INDICATORS

Key Group performance indicators are set out below:

	2011 £000	2010 £000
Net assets	129,952	126,973
Profit attributable to owners of the parent	29,453	56,352
Cash and cash equivalents	9,032	21,122
Proceeds from sale of portfolio investments	25,145	4,930
Purchase of portfolio investments	2,133	–
Net assets per share (pence)	204.4	138.8

Discussion of Group key performance indicators is included in the Chairman's Statement on pages 2 to 5.

Directors' Report (continued)

RESULTS AND DIVIDENDS

The profit and total comprehensive income for the year ended 31 January 2011 was £29,453,000 (2010: £56,371,000).

The Directors do not recommend payment of an ordinary dividend (2010: nil) and the surplus has been transferred to reserves.

SHARE CAPITAL AND FUNDING

Full details of the Company's share capital movements are given in note 15 of the financial statements.

The Company has an unlimited authorised share capital, of which 100,000,000 ordinary shares of 1p each were in issue as at 31 January 2010; and 29,347,892 shares, with nominal value of £293,479, were cancelled in the year on share buy-backs and from treasury shares, leaving 70,652,108 in issue on 31 January 2011.

During the year the Company purchased, for cancellation, 27,902,967 (2010: 8,503,071 purchased for treasury) ordinary shares of 1p, being 27.9 per cent. (2010: 8.5 per cent) of the called up share capital, for £26,334,651 (2010: £5,111,000), as part of the process for managing capital efficiency. The maximum and minimum prices paid for the shares were 122.5p and 80.0p per share respectively (2010: 60.8p and 59.0p respectively). The maximum number of treasury shares held by the Company during the year was 8,503,071 shares with a nominal value of £85,031.

During the year the ORA Capital Employee Share Trust purchased 268,500 ordinary shares of 1p each in the market for a price of 92p per share (2010: 2,250,000 shares purchased for 70p per share). At 31 January 2011 the Trust held 2,500,000 (2010: 2,250,000) shares, of which 2,460,000 (2010: 2,150,000) were held jointly with a number of employees of the Group ("the Employees") pursuant to certain conditions set out in Joint Ownership Agreements ("JOAs") and 40,000 (2010: 100,000) were held wholly by the Trust. The maximum number of shares held by the Trust during the year was 2,500,000 shares with a nominal value of £25,000.

During the year the Company cancelled 1,444,952 ordinary shares of 1p which had been held as treasury shares, leaving 7,058,146 shares in treasury at 31 January 2011 (9.99 per cent. of the shares in issue).

A resolution was approved on 10 January 2011, authorising the Company to purchase up to 14.99 per cent. of its issued share capital, such authority to expire on 9 July 2012 unless renewed prior to that time. At 31 January 2011 the Company held a remaining authority to purchase up to 7,383,577 shares of which 1,699,876 was utilised on the buy back of shares subsequent to the year end as set out in note 25.

DIRECTORS AND THEIR INTERESTS

The following Directors have held office in the year:

Richard Griffiths	<i>(Executive Chairman)</i>
Michael Bretherton	<i>(Finance Director)</i>
James Ede-Golightly	<i>(Non-Executive Director)</i>
Beatrice Hollond	<i>(Non-Executive Director)</i>

Details of the Directors' interests are shown in the Directors' Remuneration Report on pages 10 to 12.

Directors' indemnity insurance

The Group has maintained insurance throughout the year for its directors and officers against the consequences of actions brought against them in relation to their duties for the Group.

Profile of the Directors***Richard Griffiths, Executive Chairman***

Richard Griffiths was the Chairman and founder of Evolution Capital Limited in 2000. He has extensive experience of company management, equity capital markets, corporate finance and restructurings. He has also been an active investor in small and emerging companies. He was an executive director of The Evolution Group Plc, the fully listed investment bank, and was Executive Chairman from March 2001 until May 2005 and President of Evolution until his resignation in October 2005. Richard has been a director of a number of private and publicly owned companies.

Michael Bretherton, BA, ACA, Finance Director

Michael graduated in Economics from the University of Leeds and then worked as an accountant and manager with Price Waterhouse for 7 years in both London and the Middle East. He subsequently joined The Plessey Company Plc before being appointed Finance Director of Bridgend Group Plc in 1988 where he held the position for 12 years. More recently, he has worked at the property and services company Mapeley Limited as Financial Operations Director and then at the entertainment software games developer Lionhead Studios Limited, where he helped to complete a trade sale of the business to Microsoft in March 2006 before joining ORA in April that year.

James Ede-Golightly, MA, CFA, Non-Executive Director

James Ede-Golightly graduated in economics from St John's College, Cambridge. He joined Merrill Lynch Investment Managers where he worked as an analyst covering European Credit and equity markets. James subsequently moved to Commerzbank as an analyst and trader within the Special Situations proprietary trading team, before joining ORA where he served as Executive Director until October 2009. James is Non-executive Chairman of East Balkan Properties Plc and is also Non-executive Director of Obtala Resources Limited.

Beatrice Hollond, MA, Non-Executive Director

Beatrice Hollond graduated in Oriental Languages from Oxford University. She is Deputy Chairman of Millbank Financial Services, an independent family office, and Chairman of Millbank Investment Management Limited, its investment management subsidiary. She is also Chairman of Keystone Investment Trust Plc and a Director of Henderson Smaller Companies Investment Trust Plc and Oldfield & Co. Limited. She was previously Managing Director of Credit Suisse Asset Management, where she worked for 16 years, with a particular focus on global fixed income and currency investing.

Directors' Report (continued)

SUBSTANTIAL SHAREHOLDERS

The Company is aware that the following have at 6 May 2011 an interest in three per cent. or more of the issued Ordinary Share capital of the Company (net of Treasury shares):

Name	Number of 1p ordinary shares	Percentage of the issued share capital (%)
Richard Griffiths	27,372,366	44.22
Mangrove Global Limited*	9,999,180	16.16
Kinsale Management Limited*	6,633,282	10.72
Credit Agricole Chevreux	2,507,084	4.05
ORA Capital Partners Employee Benefit Trust	2,500,000	4.04
David Norwood	2,350,000	3.80

* The beneficial owner of the interest in shares is Robert Quested

DONATIONS

No charitable donations were made in the year (2010: total £300).

No political donations were made in the year (2010: £nil).

POLICY ON PAYMENT OF CREDITORS

It is Group and Company policy to agree and clearly communicate the terms of payment as part of the commercial arrangements negotiated with suppliers and then to pay according to those terms based on the timely receipt of an accurate invoice.

The Group's trade payable days at 31 January 2011 were 10 days (2010: 17 days).

EMPLOYMENT POLICIES

The Group supports employment of disabled people wherever possible through recruitment, by retention of those who become disabled and generally through training, career development and promotion.

The Group is committed to keeping employees as fully-informed as possible with regard to the Group's performance and prospects and seeks their views, wherever possible, on matters which affect them as employees.

RISK MANAGEMENT

Details of the Group's financial risk management objectives and policies are disclosed in note 13 to the financial statements.

The main risks arising from the Group's operations are market risk, credit risk and liquidity risk. The Directors review and agree policies for managing risk at least annually.

Market risk

Price risk

The Group is exposed to market price risk in respect of its portfolio investments, its trading investments and derivative financial instruments. The Group mitigates this risk by having established investment appraisal processes and asset monitoring procedures which are subject to overall review by the Board.

Interest rate risk

The Group has no external financing facilities, therefore its interest rate risk is limited to the level of interest received on its cash surpluses. Interest rate risk on cash and cash equivalents is partially mitigated by using an element of fixed-rate deposit accounts.

Credit risk

The Group's principal financial assets are portfolio and trading investments, its bank balances and cash with institutions in support of trading. The Group seeks to reduce the credit risk associated with cash by only holding cash with institutions that have good credit ratings. The credit risk associated with portfolio and trading investments is considered to be minimal.

Liquidity risk

The Group seeks to manage liquidity by ensuring sufficient funds are available to meet foreseeable needs and to invest cash assets safely and profitably. The Group had cash and cash equivalent balances of £9.0 million as at 31 January 2011 (2010: £21.1 million).

In order to minimise risk to the Company's capital, funds are invested across a number of financial institutions with strong credit ratings. Cash forecasts are updated regularly to ensure that there is sufficient cash available for foreseeable requirements.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO THE AUDITOR

The directors who were in office on the date of approval of these financial statements have confirmed that, as far as they are aware, there is no relevant audit information of which the auditor is unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

AUDITOR

Baker Tilly Channel Islands Limited has indicated their willingness to continue in office. A resolution for their re-appointment is to be proposed at the forth coming Annual General Meeting.

On behalf of the board

Michael Bretherton
Director

10 May 2011

Directors' Remuneration Report

Companies with securities listed on AIM do not need to comply with the UKLA Listing Rules. The Remuneration Committee is however committed to maintaining high standards of corporate governance and disclosure and has applied the guidelines as far as practical given the current size and development of the Company.

Remuneration Committee

The remuneration committee's primary responsibilities are to review the performance of the executive directors of the Company and to determine the broad policy and framework for their remuneration and the terms and conditions of their service and that of senior management (including the remuneration of and grant of options to such persons under any share scheme adopted by the Company). The remuneration committee comprises James Ede-Golightly, who is chairman of the committee, and Beatrice Hollond. The committee meets no less than twice in each financial year.

The main elements of the remuneration packages for Executive Directors and senior management are:

Basic annual salary (including directors' fees)

The base salary is reviewed annually at the beginning of each year. The review process is undertaken by the Remuneration Committee and takes into account several factors, including the current position and development of the Group, individual contribution and market salaries for comparable organisations.

Discretionary annual bonus

All Executive Directors and senior managers are eligible for a discretionary annual bonus which is paid in accordance with a bonus scheme developed by the Remuneration Committee. This takes into account individual contribution, business performance and commercial progress, along with financial results.

Share incentive schemes

In addition, certain Executive Directors and senior managers are eligible to acquire interests in ordinary shares in the Company to be owned jointly with the trustee of the ORA Capital Partners Employee Share Trust and under which, subject to meeting performance criteria conditions, most of any future increase in the value of the shares will accrue to the employees.

Remuneration Policy for Non-Executive Directors

Remuneration for Non-Executive Directors is set by the Chairman and the Executive Members of the Board. Non-executives do not participate in bonus schemes or joint share ownership agreements.

Directors' remuneration

The remuneration of the individual Directors who served in the year to 31 January 2011 was:

	Salary & fees £000	Bonus £000	Benefits £000	Total 2011 £000	Total 2010 £000
Richard I Griffiths	122	–	3	125	91
Michael A Bretherton	122	75	3	200	157
James L Ede-Golightly	25	–	1	26	75
Beatrice M H Hollond	25	–	–	25	22
Total	294	75	7	376	345

* Michael Bretherton also holds jointly with the ORA Capital Partners Employer Trust, shares in the Company for which a fair value share based charge of £97,000 has been recognised in the consolidated statement of comprehensive income (2010: £88,000).

It is the Company's policy that executive Directors should have contracts with an indefinite term, providing for a maximum of six months notice. In the event of early termination, the directors' contracts provide for compensation up to a maximum of basic salary for the notice period. The current basic salary for both of the executive directors is £125,000 per annum. In addition, the executive directors also receive certain benefits in kind, principally private medical insurance.

Non-executive Directors are employed on letters of appointment which may be terminated on not less than six months notice. The fee payable to each non-executive director is £25,000 per annum.

Directors' shareholdings

Directors' interests in the shares of the Company (percentage is based on total in issue net of treasury shares), including family interests at 31 January 2011 were:

	Ordinary shares of 1p each			
	2011 number	2011 %	2010 number	2010 %
Richard I Griffiths	27,372,366	43.56	27,372,366	29.92
Michael A Bretherton*	60,000	0.10	60,000	0.07
James L Ede-Golightly	199,176	0.32	180,000	0.20
Beatrice M H Hollond	384,000	0.61	384,000	0.42

* In addition, on 12 May 2009 Michael Bretherton purchased an interest in 2,000,000 ordinary shares which are held by the ORA Capital Partners Employee Share Trust under a joint ownership agreement.

Directors' interests in jointly owned shares

The ORA Capital Employee Share Trust ("the Trust") was established with Marlborough Trust Company Limited appointed as trustee ("the Trustee") to enable the Trustee to acquire ordinary shares in the Company and to make interests in those shares available for the benefit of current and future employees of the Company and its subsidiaries.

Michael Bretherton has an interest in 2,000,000 ordinary shares in the Company which he acquired jointly with the Trustee in the market on 12 May 2009 at a price of 70p per share. The shares were acquired pursuant to certain conditions set out in a Joint Ownership Agreement ("JOA").

Directors' Remuneration Report (continued)

Subject to meeting the performance criteria conditions set out in the JOA, most of any future increase in the value of the shares will accrue to Mr Bretherton, by way of receipt of a proportionate number of wholly owned shares or, at the option of the Trustee, an alternative realisation mechanism for an equivalent amount. The consequence of these conditions is that in most instances Mr Bretherton will only be able to benefit from an increase in the value of the shares in seven equal tranches of 285,714 on or after each of the seven consecutive annual anniversaries of purchase ("the earliest realisation date") and provided that the quoted market value per share has grown at a compound annual growth rate of at least 15 per cent. over the relevant period and provided Mr Bretherton has not ceased employment with the Group on or before the date that these conditions are met. Mr Bretherton is also under certain circumstances able to benefit from an increase in the value of the Shares, in the manner set out above, on a takeover, change of control, scheme of arrangement or a voluntary winding-up of the Company. Where these conditions are not met, the Trustee has an option to acquire the interests of Mr Bretherton in the Shares at a price equal to the original purchase cost that he paid so that none of any increase in the value of the Shares will accrue to him.

The performance and market conditions were met in respect of 285,715 of the 2,000,000 shares at 31 January 2011.

The market price of the shares at 31 January 2011 was 123 pence per share, the highest and lowest prices during the year were 137 pence and 72 pence respectively.

Details of all jointly-owned shares held by the Trustee are set out in note 19 to the financial statements.

On behalf of the Board

James Ede-Golightly
Chairman of the Remuneration Committee

10 May 2011

Corporate Governance Statement

The Directors recognise the importance of sound corporate governance and intend to ensure that, at all times, the Company continues to apply policies and procedures which reflect the principles of Good Governance and Code of Best Practice as published by the Committee on Corporate Governance (now known as “the UK Corporate Governance Code”) as are appropriate to the size, nature and stage of development of the Company. The Directors endeavour to comply with the QCA Guidelines in such respects as are appropriate for the Company given its size, nature and stage of development following Admission.

The Board

The Board currently comprises two executive directors and two non-executive directors (one executive director and one non-executive director are now resident outside of the United Kingdom).

Audit Committee

The audit committee’s primary responsibilities are to monitor the integrity of the financial affairs and the financial statements of the Company, to ensure that the financial performance of the Company and any subsidiary of the Company is properly measured and reported on, to review reports from the Company’s auditors relating to the accounting and internal controls and to make recommendations relating to the appointment of the external auditors.

The audit committee comprises the two non-executive directors, Beatrice Hollond and James Ede-Golightly, with Beatrice Hollond as chairperson. The committee meets not less than twice in each financial year.

Remuneration Committee

The responsibilities and composition of the remuneration committee are described in the Directors’ Remuneration Report on pages 10 to 12.

Nominations Committee

The Directors do not consider that, given the size of the Board, it is appropriate at this stage to have a nominations committee. However, this will be kept under regular review by the Board.

Internal Control

The Board is responsible for maintaining a sound system of internal control. The Board’s measures are designed to manage, not eliminate, risk and such a system provides reasonable but not absolute assurance against material misstatement or loss.

Some key features of the internal control system are:

- (i) Management accounts information, budgets, forecasts and business risk issues are regularly reviewed by the Board who meet at least four times per year;
- (ii) The Company has operational, accounting and employment policies in place;
- (iii) The Board actively identifies and evaluates the risks inherent in the business and ensures that appropriate controls and procedures are in place to manage these risks; and
- (iv) There is a clearly defined organisational structure and there are well-established financial reporting and control systems.

Corporate Governance Statement (continued)

Going Concern

As at 31 January 2011, the Group had £9 million of cash and cash equivalents available to it (£5 million in cash and £4 million held with institutions in support of trading). The Directors have considered their obligation, in relation to the assessment of the going concern of the Group and each statutory entity within it and have reviewed the current budget cash forecasts and assumptions as well as the main risk factors facing the Group as set out on pages 34 to 37.

After due enquiry, the Directors consider that the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Statement of Directors' Responsibilities

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

The Directors are required by the Companies (Guernsey) Law 2008 to prepare Group financial statements for each financial year in accordance with generally accepted accounting principles. The directors are required by the AIM Rules of the London Stock Exchange, and have elected under Guernsey company law, to prepare Group financial statements in accordance with International Financial Reporting Standards ("IFRS"), as adopted by the EU ("EU").

The Group financial statements are required by law to give a true and fair view, and are required by IFRS adopted by the EU to present fairly, the financial position and performance of the Group.

In preparing the financial statements, the Directors should:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and estimates that are reasonable and prudent;
- c. state whether they have been prepared in accordance with IFRSs adopted by the EU; and
- d. 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 accounting records which are sufficient to show and explain the Group's transactions and are such as to disclose with reasonable accuracy at any time the financial position of the Group and enable them to ensure that the financial statements are properly prepared and in accordance with the Companies (Guernsey) Law 2008. 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.

The Directors are also responsible for ensuring compliance with the rules of the London Stock Exchange for companies trading securities on the Alternative Investment Market and for the maintenance and integrity of the ORA website, www.oracp.com.

Legislation in Guernsey governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent auditor's Report to the Members of ORA Capital Partners Limited

We have audited the consolidated financial statements of ORA Capital Partners Limited ("the Company") for the year ended 31 January 2011 which comprise the consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of financial position, consolidated statement of cash flows, and the related notes. The financial reporting framework that has been applied in their preparation is applicable Guernsey law and International Financial Reporting Standards (IFRS) as adopted by the European Union.

This report is made solely to the Company's members, as a body, in accordance with section 262 of the Companies (Guernsey) Law 2008. 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 financial statements in accordance with applicable law and IFRS, as adopted by the European Union are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

We report to you our opinion as to whether the financial statements give a true and fair view and whether the financial statements have been properly prepared in accordance with the Companies (Guernsey) Law 2008.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Group's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with IFRS, as adopted by the European Union, of the state of the Group's affairs as at 31 January 2011 and of its profit for the year then ended; and
- the financial statements have been properly prepared in accordance with the requirements of the Companies (Guernsey) Law 2008.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies (Guernsey) Law, 2008 requires us to report to you if, in our opinion:

- the company has not kept proper accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations which to the best of our knowledge and belief are necessary for the purposes of our audit.

Baker Tilly Channel Islands Limited

Chartered Accountants

St. Helier, Jersey

10 May 2011

Consolidated Statement of Comprehensive Income

For the year ended 31 January 2011

	Notes	2011 £000	2010 £000
Continuing operations			
Gain on portfolio and trading investments	2	30,410	57,715
Revenue from services	2	90	93
Portfolio return and revenue		30,500	57,808
Administrative expenses		(1,287)	(1,453)
Operating profit		29,213	56,355
Gains on foreign exchange		268	38
Finance income	6	30	55
Finance costs	6	(171)	(167)
Profit before taxation		29,340	56,281
Taxation	7	113	17
Profit for the year from continuing operations		29,453	56,298
Discontinued operations			
Profit after tax from discontinued operations	21	–	73
Profit and total comprehensive income for the year		29,453	56,371
Attributable to			
Owners of the parent			
From continuing operations		29,453	56,298
From discontinued operations		–	54
		29,453	56,352
Non-controlling interests			
From discontinued operations	18	–	19
		29,453	56,371
Earnings per share			
Basic on profit for year	8	37.89p	61.14p
Basic on profit for year from continuing operations	8	37.89p	61.08p
Basic on profit for year from discontinued operations	8	–	0.06p
Diluted on profit for year	8	37.83p	61.14p
Diluted on profit for year from continued operations	8	37.83p	61.08p
Diluted on profit for year from discontinued operations	8	–	0.06p

There are no items of other comprehensive income.

Consolidated Statement of Changes in Equity

For the year ended 31 January 2011

	Attributable to owners of the parent						Total £000	Non- controlling Interests £000	Total Equity £000
	Share Capital £000	Share Premium £000	Capital Redemption Reserve £000	Merger Reserve £000	Share Based Payment Reserve £000	Revenue Reserve £000			
At 31 January 2009	1,000	65,554	-	-	-	10,640	77,194	2,189	79,383
Profit and total comprehensive income for the year	-	-	-	-	-	56,352	56,352	19	56,371
Transactions with owners:									
Purchase of shares for treasury	-	-	-	-	-	(5,111)	(5,111)	-	(5,111)
Purchase of own shares	-	-	-	-	-	(1,569)	(1,569)	-	(1,569)
Total transactions with owners for the year	-	-	-	-	-	(6,680)	(6,680)	-	(6,680)
Share based payment expense	-	-	-	-	107	-	107	-	107
Group re-organisation	-	(65,554)	-	65,554	-	-	-	-	-
Share of net assets on deconsolidation attributable to non-controlling interests	-	-	-	-	-	-	-	(2,208)	(2,208)
At 31 January 2010	1,000	-	-	65,554	107	60,312	126,973	-	126,973
Profit and total comprehensive income for the year	-	-	-	-	-	29,453	29,453	-	29,453
Transactions with owners:									
Purchase of shares for cancellation	(279)	-	279	-	-	(26,335)	(26,335)	-	(26,335)
Cancellation of treasury shares	(14)	-	14	-	-	-	-	-	-
Purchase of own shares	-	-	-	-	-	(248)	(248)	-	(248)
Total transactions with owners for the year	(293)	-	293	-	-	(26,583)	(26,583)	-	(26,583)
Share based payment expense	-	-	-	-	109	-	109	-	109
At 31 January 2011	707	-	293	65,554	216	63,182	129,952	-	129,952

Consolidated Statement of Financial Position

As at 31 January 2011

	Notes	2011 £000	2010 £000
ASSETS			
Non-current assets			
Investment portfolio	9	98,103	92,070
Property, plant and equipment	10	72	5
Intangible assets – goodwill	11	–	–
		98,175	92,075
Current assets			
Trade and other receivables	12	152	135
Investments in trading securities	13	22,933	12,086
Derivative trading assets	13	27	2,119
Cash and cash equivalents	13	9,032	21,122
		32,144	35,462
TOTAL ASSETS		130,319	127,537
LIABILITIES			
Current liabilities			
Trade and other payables	14	(107)	(160)
Current tax liabilities		(8)	(304)
Derivative trading liabilities	13	(252)	(100)
TOTAL LIABILITIES		(367)	(564)
NET ASSETS		129,952	126,973
EQUITY			
Share capital	15	707	1,000
Capital redemption reserve	16	293	–
Merger reserve	16	65,554	65,554
Share based payment reserve	19	216	107
Revenue reserve	17	63,182	60,312
Equity attributable to the owners of the parent		129,952	126,973
Non-controlling interests	18	–	–
TOTAL EQUITY		129,952	126,973

Approved by the board and authorised for issue on 10 May 2011.

Richard Griffiths
Executive Chairman

Michael Bretherton
Finance Director

Consolidated Statement of Cash Flows

For the year ended 31 January 2011

	Notes	2011 £000	2010 £000
Operating profit from continuing operations		29,213	56,355
Profit before tax from discontinued operations	21	–	102
Adjustments:			
Depreciation of property, plant and equipment	10	22	17
Share based payment	19	109	107
Unrealised loss on deconsolidation disposal	21	–	1,882
Unrealised gain on revaluation of portfolio investments	9	(26,177)	(43,869)
Realised gain on disposal of portfolio investments		(2,870)	(3,636)
Realised gain on disposal of other trading investments		(84)	(3,132)
Unrealised losses/(gains) on other trading investments		2,167	(3,082)
Operating cash inflow		2,380	4,744
Purchase of trading securities		(28,203)	(25,122)
Sale of trading securities		17,519	20,449
(Increase)/decrease in trade and other receivables		(18)	902
Decrease in trade and other payables		(52)	(229)
Interest paid		(171)	(167)
Taxation (paid)/received		(183)	321
Net cash (used in)/generated from operations		(8,728)	898
INVESTING ACTIVITIES			
Interest received		30	55
Purchases of property, plant and equipment	10	(89)	(11)
Sale of portfolio investments		25,145	4,930
Purchase of portfolio investments	9	(2,133)	–
Cash at bank in deconsolidated subsidiary	21	–	(3,452)
Net cash generated from investing activities		22,953	1,522
FINANCING ACTIVITIES			
Purchase of own shares	17	(248)	(1,569)
Purchase of treasury shares	17	(26,335)	(5,111)
Net cash used in financing activities		(26,583)	(6,680)
DECREASE IN CASH AND CASH EQUIVALENTS		(12,358)	(4,260)
Cash and cash equivalents at start of year		21,122	25,344
Effect of foreign exchange rate changes		268	38
CASH AND CASH EQUIVALENTS AT END OF YEAR	13	9,032	21,122

Notes to the Financial Statements

For the year ended 31 January 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared in accordance with International Financial Reporting Standards, as adopted in the European Union, ("IFRS"). The financial statements have been prepared under the historical cost convention except for investment portfolio assets, investments in trading securities and derivative trading assets and liabilities which are included at fair value.

Going Concern

As at 31 January 2011, the Group had £9.0 million of cash and cash equivalents available to it (£5 million in cash and £4 million held with institutions in support of trading). The Directors have considered their obligation, in relation to the assessment of the going concern of the Group and each statutory entity within it and have reviewed the current budget cash forecasts and assumptions as well as the main risk factors facing the Group as set out on pages 34 to 37.

After due enquiry, the Directors consider that the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Basis of consolidation and re-organisation

The Company was incorporated on 12 January 2009. On 16 March 2009 the Company became a 100 per cent. holding company of ORA Capital Services Limited and was admitted to AIM on that date.

The above combination was accounted for as a re-organisation using the pooling of interests method of accounting under which the Group's activity has been treated as a continuation of that of the legal subsidiary, ORA Capital Services Limited and its subsidiaries. Accordingly the consolidated comparative numbers for the year to 31 January 2010 include the results of the Company, ORA Capital Services Limited and its subsidiaries for their full year as if the entities had always been combined.

Subsidiaries

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than half of the voting rights. The existence and effects of potential voting rights are considered when assessing whether the Group controls the entity. Subsidiaries are fully consolidated from the date control passes.

Subsidiaries are consolidated using the acquisition method. Their results are incorporated from the date that control passes. The cost of the acquisition is measured as the aggregate of the fair values at the date of exchange of assets given, liabilities incurred or assumed and equity instruments issued by the Group in exchange for control of the acquiree. Costs directly attributable to the acquisition are expensed as incurred. The acquiree's identifiable assets and liabilities are recognised at their fair values at the date of acquisition, except for non-current assets that are classified as held for sale and are recognised and measured at fair value less costs to sell.

The aggregate cost of the acquisition over and above the Group's interest in the net fair value of identifiable net assets acquired is recorded as goodwill. If the cost of the acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in profit or loss.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Subsidiaries' accounting policies are amended where necessary to ensure consistency with the policies adopted by the Group. All financial statements are made up to 31 January 2011.

Associates and significant investments

Associates are entities over which the Group has significant influence, but does not control, generally accompanied by a participating interest of between 20 per cent. and 50 per cent. in the voting rights.

Equity accounting is not applied for investments in associates which are instead held at fair value in the balance sheet. This treatment is permitted by IAS 28 "Investments in Associates" which allows investments held by entities akin to that of venture capital organisations to be excluded from its scope where such investments in associates are accounted for in accordance with IAS 39

Financial Instruments: Recognition and Measurement and designated at fair value through profit or loss on initial recognition in line with the accounting policy applied to the Group's Investment Portfolio Assets, as detailed below.

Deemed disposals

Where the Group ceases to control an entity by means other than physical disposal, such as by the entity issuing shares to other non-group parties, the entity ceases to be a subsidiary and is no longer consolidated. In these circumstances, the entity is reinstated as an investment at its fair value and any gain or loss arising on the disposal is recognised in profit or loss.

SEGMENTAL REPORTING

The reportable segments are identified by the Board of Directors (which is considered to be the Chief Operating Decision Maker) by the way management has organised the firm. The Group operates within two separate operational divisions comprising: business portfolio return and financial trading.

The Directors review the performance of the Group based on total revenues and costs, allocated on the basis of staff time, for these two divisions and not by any other segmental reporting.

INCOME RECOGNITION

Revenue is measured at the fair value of the consideration received or receivable in the normal course of business, net of discounts, VAT and other sales related taxes. The Group recognises revenue when the amount of revenue can be reliably measured and when it is probable that the future economic benefits will flow into the Group.

(i) Business portfolio return

Business portfolio return represents the sum of realised profits and losses on the disposal of investment portfolio assets and the movement in fair value of those investments and any related investment income received and receivable.

Gains and losses on the disposal of investments is the difference between the fair value of the consideration received less any directly attributable costs on the sale and the fair value of the investments at the start of the accounting period or acquisition date if later.

The deemed cost of any items reclassified from trading activities is the fair value of the investment/instrument at the date of transfer. Subsequent realised profits and losses on disposal are deemed to be the difference between the fair value of disposal proceeds and the deemed cost. All gains and losses are recognised in profit or loss within business portfolio returns.

Unrealised profits and losses on the revaluation of investments is the movement in carrying value of investments between the start of the accounting period or acquisition date if later and the end of the accounting period.

Fee income earned from investee companies is recognised to the extent that it is probable that the economic benefit will flow into the Group and the income can be reliably measured.

Dividends from investments are recognised when the shareholders' rights to receive payment have been established.

(ii) Advisory fees

Fees for advisory work are recognised in profit or loss when the related services are performed.

(iii) Financial trading income

Income from securities and derivatives trading activities comprises all realised gains and losses on trading and unrealised changes in the fair value of financial assets and liabilities held for trading, together with any related dividend income on positions held. Dividends are recognised when the shareholders' rights to receive payment have been established.

LEASES

Leases where the lessor retains substantially all of the risks and rewards of ownership are classified as operating leases and the rental payments are charged to profit and loss on a straight-line basis over the lease term.

Notes to the Financial Statements (continued)

INVESTMENT PORTFOLIO ASSETS

Investment assets that are held by the Group with a long-term view to the ultimate realisation of capital gains are classified as investment portfolio assets and are stated at the Directors' estimate of their fair value determined in accordance with International Private Equity and Venture Capital Valuation Guidelines ("IPEVCVG") on the basis set out below. Investment assets are designated at fair value through profit or loss on initial recognition and any gains or losses arising from subsequent changes in fair value are presented in profit or loss as they arise.

- (i) Quoted investments for which an active market exists are valued at closing bid-market price at the reporting date.
- (ii) Unquoted investments are measured at fair value by the Directors as follows:
 - Investments in companies that are still in a development phase continue to be valued based on cost unless there have been more recent benchmark subscriptions and investments which give a guide to fair value ("Price of Recent Investment") or where there are factors that indicate a change in fair value has occurred.
 - Once the business becomes established, investments are valued based on an estimate of the fair value for the investee company derived using methodologies which include applying an average sector earnings multiple to operating profits, valuation by reference to net asset base and discounted cash flows.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment assets are stated at historical cost.

Depreciation is provided on all property, plant and equipment assets at rates calculated to write each asset down to its estimated residual value evenly over its expected useful life, as follows:

Leasehold improvements	over the term of the lease
Fixtures and equipment	over 3 years
Computer equipment	over 3 years
Motor vehicles	over 3 years

INTANGIBLE ASSETS – GOODWILL

Goodwill arising on consolidation of subsidiaries represents the excess of the fair value of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities at the date of acquisition.

Goodwill on acquisition of subsidiaries is included in intangible assets and allocated from acquisition date to each of the Group's cash-generating units ("CGU") that are expected to benefit from the business combination in which the goodwill arose.

Goodwill is tested for impairment annually and whenever there is an indication that the asset may be impaired, by reference to the CGU to which the asset belongs. An impairment is recognised as an expense immediately and is not subsequently reversed.

IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT

At each reporting date, the Group reviews the carrying amounts of its property, plant and equipment and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any.

Discounted cash flow valuation techniques are generally applied for assessing recoverable amounts using forward looking cash flow projections and terminal value estimates based on the remaining life of the asset, together with discount rates appropriate to the risk of the related cash generating units.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

FINANCIAL ASSETS AND LIABILITIES

Financial assets and liabilities are measured at fair value through profit or loss when they are either: held for trading or, when they are initially recognised, they are designated as at fair value through profit or loss. A financial asset is designated in this category if acquired to be both managed and have its performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy. The Group classifies its financial assets and liabilities as follows:

Trade and other receivables

Trade and other receivables do not carry any interest and are initially recognised at fair value. They are subsequently measured at amortised cost using the effective interest rate method, less any provision for impairment.

Impairment provisions are recognised when there is objective evidence that the Group will be unable to collect all the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable.

Investments in trading securities

Investments in trading securities are stated at the Directors' estimate of their fair value on the same basis as for investment portfolio assets.

Derivative trading assets and liabilities

Purchases and sales of derivative financial instruments are recognised at the trade date which is the date that the Group becomes a party to the contractual provisions of the instrument. The Group only trades in derivative financial instruments that are quoted in active markets and the related financial assets and liabilities are stated at fair values based on the quoted market prices of those instruments. Changes in the fair value of derivative financial instruments are recognised in profit or loss as they arise.

Trade and other payables

Trade and other payables are not interest bearing and are initially recognised at fair value. They are subsequently measured at amortised cost using the effective interest rate method.

Cash and cash equivalents

Cash and cash equivalents comprise cash at hand and deposits on a term of not greater than 3 months.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction.

Cancelled shares, Treasury shares and own shares held by the Employee Share Trust

Shares in the Company that are repurchased for treasury are classified as treasury shares and disclosed within Revenue Reserve.

Transactions of the Group-sponsored ORA Capital Partners Employee Share Trust ("the Trust") are included in the Group financial statements and the Trust's purchases of shares in the Company are classified as own shares.

Shares repurchased for treasury and the Trust's purchases of own shares are both recognised as a deduction directly from equity revenue reserve.

When treasury shares are sold or re-issued, the proceeds up to the purchase price paid by the Company are recognised as an increase in equity revenue reserve and proceeds in excess of the purchase price are transferred to share premium.

Cancellation of shares

Shares that are repurchased for cancellation and cancelled treasury shares are charged directly against equity revenue reserves at purchase cost. An amount equal to the nominal value of the shares is transferred to the capital redemption reserve.

Notes to the Financial Statements (continued)

Share-based payments

Where an employee acquires an interest in shares in the Company jointly with the ORA Capital Partners Employee Share Trust, the fair value benefit at the purchase date is recognised as an expense, with a corresponding increase to equity share based payment reserve on a straight-line basis, over the period to the earliest date on which the employee becomes entitled to direct the Trustees to sell the jointly owned shares.

The fair value benefit is measured using a Binomial valuation model, taking into account the terms and conditions upon which the jointly owned shares were purchased.

The expected life used in the model has been adjusted, based on management's best estimate, for the effect of non-transferability, sale restrictions, and behavioural considerations.

TAXATION

The tax expense represents the sum of the tax currently payable and deferred tax.

The tax payable is based on taxable profits or losses for the year. The Group's liability for current tax is calculated by using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method.

Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based upon rates enacted and substantively enacted at the reporting date. Deferred tax is charged or credited in profit or loss, except when it relates to items credited or charged directly to other comprehensive income or equity, in which case the deferred tax is also dealt with in other comprehensive income or equity.

CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and assumptions that have the most significant effects on the carrying amounts of the assets and liabilities in the financial statements are discussed below:

- (i) Valuation of quoted investments – These are valued at closing bid market price and in accordance with IFRS, no discount is applied for liquidity of the stock or any dealing restrictions. However, it may not always be possible to trade at the quoted bid market price. Quoted portfolio investments are carried in the financial statements as at 31 January 2011 at a valuation of £94,584,000 (2010: £84,905,000) and listed investments in trading securities are carried at a valuation of £22,933,000 (2010: £12,086,000).
- (ii) Valuation of unquoted investments – The investments are valued using the IPEV CVG. The directors believe this to be the most appropriate measurement of fair value. There is a high level of subjectivity in the assessment of fair value and so this is a critical area of management judgement. Unquoted portfolio investments are carried in the financial statements at 31 January 2011 at a valuation of £3,519,000 (2010: £7,165,000).
- (iii) Deferred taxation liabilities – The Group considers that the majority of its business portfolio gains relating to revaluations and disposals of subsidiaries and portfolio investments arising prior to or on the transfer of these to ORA (Guernsey) Limited are eligible for tax exemption under substantial shareholdings exemption relief and, as such, no deferred taxation liabilities have been provided on these gains. Actual eligibility for substantial shareholding exemption relief cannot be agreed with HM Revenue and Customs in advance. The maximum potential liability at the reporting date is £7,675,000 (2010: £7,675,000).

- (iv) Share-based payments – The estimation of share-based payment costs requires the selection of an appropriate valuation method, consideration as to the inputs necessary for the valuation model chosen which arise from judgements relating to the future volatility of the Company share price, risk free interest rates and expected length of future employee service. The Directors draw on a variety of sources to aid in the determination of the appropriate data to use in such calculations. The share-based payment charge for the year was £109,000 (2010: £107,000).

ACCOUNTING STANDARDS AND INTERPRETATIONS NOT APPLIED

At the date of authorisation of these financial statements, the following standards and interpretations relevant to the Group that have not been applied in these financial statements were in issue but not yet effective or endorsed (unless otherwise stated):

		Effective Date
IFRS 7	Financial Instruments: Disclosures (amendments)	1 July 2011
IFRS 1	First Time Adoption of IFRS (amendments)	1 July 2010
	May 2010 Annual Improvements	1 July 2010/ 1 January 2011
IFRS 1	First Time Adoption of IFRS (amendments)	1 July 2011
IAS 12	Income Taxes (amendments)	1 January 2012
IFRS 9	Financial Instruments	1 January 2013
IAS 24*	Revised IAS24 Related Party Transactions	1 January 2011
IFRIC 19*	Extinguishing Financial Liabilities with Equity Instruments	1 July 2010
IFRIC 14*	Prepayments of a Minimum Funding Requirement	1 January 2011
IFRS 1	First Time Adoption of International Financial Reporting Standards	1 January 2011
IFRS 3	Business combinations	1 July 2010
IFRS 7	Financial Instruments: Disclosures	1 January 2011
IAS 1	Presentation of Financial Statements	1 January 2011
IAS 27	Consolidated and Separate Financial Statements	1 July 2010
IFRIC 13	Customer Loyalty Programmes	1 January 2011
IAS 34	Interim Financial Reporting	1 January 2011

* endorsed by the EU

The Directors anticipate that the adoption of these Standards and Interpretations in future years will have no material impact on the financial statements of the Group.

No Standards or Interpretations adopted in the year had any material impact on the financial statements of the Group.

2. PORTFOLIO RETURN AND REVENUE ANALYSIS

	2011 £000	2010 £000
Gain on portfolio and trading investments:		
Unrealised gain on revaluation of portfolio investments	26,177	43,869
Realised gain on disposal of portfolio investments	2,870	3,620
Financial trading (loss)/gain	(292)	11,526
Dividend income	1,655	582
Unrealised loss on deconsolidation of subsidiary	–	(1,882)
	30,410	57,715
Revenue from services:		
Advisory fees and other revenues	90	93
	90	93
Total portfolio return and revenue	30,500	57,808

Notes to the Financial Statements (continued)

3. SEGMENTAL REPORTING ANALYSIS

For management purposes, the Group is organised into business units based upon their investment activities and the services which are provided as follows:

- Business portfolio return and advisory fees: this segment represents gains and losses on the disposal and revaluation of portfolio investments held; and
- Financial trading: this segment uses surplus cash for specific opportunities where the management team considers there to be potential for significant value creation which may include the acquisition of equities and derivative financial instruments.

No operating segments have been aggregated to form the above reportable operating segments.

The Directors monitor the results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on results and costs. Group financing and income taxes are managed on a group basis and are not allocated to operating segments.

	31 January 2011		
	Business Portfolio Return and Advisory Fees £000	Financial Trading £000	Total £000
Results – continuing operations			
Portfolio return and revenue	29,137	1,363	30,500
Administrative expenses	(1,084)	(203)	(1,287)
Segment profit before finance income/(expense)	28,053	1,160	29,213
Foreign exchange gains	268	–	268
Net finance income/(expense)	5	(146)	(141)
Segment profit before tax	28,326	1,014	29,340
Segment assets	107,359	22,960	130,319
Segment liabilities	(115)	(252)	(367)

	31 January 2010		
	Business Portfolio Return and Advisory Fees £000	Financial Trading £000	Total £000
Results – continuing operations			
Portfolio return and revenue	45,830	11,978	57,808
Administrative expenses	(1,175)	(240)	(1,415)
Segment profit before finance income/(expense)	44,655	11,738	56,393
Net finance income/(expense)	55	(167)	(112)
Segment profit before tax	44,710	11,571	56,281
Segment assets	113,332	14,205	127,537
Segment liabilities	(464)	(100)	(564)

Geographic information

Portfolio return and revenue from external customers

	2011 £000	2010 £000
Guernsey (country of domicile)	32,608	45,575
England	(2,108)	12,233
Total portfolio return and revenue	30,500	57,808

The location is based upon either the location of the customer for fee income or the country in which the gain or loss on revaluation will be recognised.

The revaluation gain on the portfolio investment was £26,177,000 (2010: £43,869,000).

All non-financial non-current assets are held within England.

4. OPERATING PROFIT

	2011 £000	2010 £000
Operating profit is stated after charging/(crediting):		
Depreciation of property, plant and equipment (see note 10)	22	17
Staff costs (see note 5)	702	652
Legal and professional fees*	204	355
Operating lease rentals (see note 20):		
Land and buildings	76	76
Other leases	8	16
Foreign exchange (gains)/losses	(268)	38
Auditor's remuneration:		
Audit services		
– fees payable to company auditor and its associates for the audit of the parent and consolidated accounts	46	34
Fees payable to company auditor and its associates for other services		
– auditing the accounts of subsidiaries pursuant to legislation	16	19
Total auditor's remuneration	62	53

* For period to 31 January 2010, includes £271,000 costs of the re-organisation and re-admission to AIM referred to in note 15

5. STAFF COSTS

	2011 Number	2010 Number
The average monthly number of persons (including directors) employed by the Group during the year was:		
Administration and management	7	6

Notes to the Financial Statements (continued)

	2011 £000	2010 £000
The aggregate remuneration comprised:		
Wages and Salaries	543	494
Social Security costs	50	51
Share based payments	109	107
	702	652
Directors' remuneration included in the aggregate remuneration above comprised:		
Emoluments for qualifying services	473	433

Directors' emoluments disclosed above include £197,000 paid to the highest paid director (2010: £154,000) as well as a share based payments benefit of £97,000 (2010: £88,000) recognised in respect of shares in the Company which are held by the director jointly with the ORA Capital Partners Employee Trust. There are no pension benefits for Directors.

6. FINANCE (COSTS)/INCOME

	2011 £000	2010 £000
Finance Income:		
Bank interest receivable	30	53
Other interest	–	2
	30	55
Finance costs:		
Other interest	(171)	(167)
Net finance cost	(141)	(112)

Other interest payable mainly relates to funding costs payable on derivative financial instruments.

7. TAXATION

	2011 £000	2010 £000
Current tax:		
Corporation tax on profit in the year	8	304
Adjustment for over provision in prior periods	(121)	(321)
Tax credit for the year	(113)	(17)

	2011 £000	2010 £000
Factors affecting tax credit for the year:		
Guernsey (Country of domicile)		
The tax assessed for the year varies from the standard rate of corporation tax as explained below:		
Profit before tax	31,986	44,730
Profit before tax multiplied by the standard rate of corporation tax (2011: nil; 2010: nil)	–	–
Guernsey tax charge for the year	–	–
UK		
The tax assessed for the year varies from the standard rate of corporation tax as explained below:		
(Loss)/profit before tax	(2,646)	11,551
Profit before tax multiplied by the standard rate of corporation tax (2011: 28%, 2010: 28%)	(741)	3,234
Effects of:		
Expenses not deductible for tax purposes	7	84
Chargeable gains	–	1,140
Utilised tax losses brought forward	–	(2,684)
Utilised/(unutilised) tax losses in subsidiaries	–	(1,472)
Losses carried forward	742	–
Other items	–	2
Adjustments in respect of prior years	(121)	(321)
UK tax credit for the year	(113)	(17)
Total tax charge/(credit) for the year	(113)	(17)

The Group has estimated UK tax losses of £5.1 million (2010: £4.0 million) available for carry forward against future profit. The Group has not recognised deferred tax assets of £1.4 million (2010: £1.1 million) relating to these losses as their recoverability is uncertain.

8. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period excluding ordinary shares purchased by the Company and held as treasury shares and excluding own shares held jointly by the ORA Capital Partners Employee Share Trust, "The Trust", and certain employees.

Dilutive earnings per share is calculated by adjusting the weighted average number of ordinary shares in issue during the year to assume conversion of all dilutive potential ordinary shares, being the shares held by the Trust and certain employees which have met the relevant performance criteria at 31 January.

Notes to the Financial Statements (continued)

	2011 £'000	2010 £'000
Profit for the year represented by:		
Continuing operations	29,453	56,298
Discontinued operations	–	54
Total	29,453	56,352
Weighted average number of ordinary shares		
Weighted average number of ordinary shares in issue during the year	87,946	100,000
Less: weighted average number of treasury shares held during the year	(7,879)	(6,190)
Less: weighted average number of jointly owned shares held during the year	(2,326)	(1,638)
Weighted average number of ordinary shares used in calculating earnings per share	77,741	92,172
Number of shares with potentially dilutive effects	107	–
Weighted average number of ordinary shares used in calculating diluted earnings per share	77,848	92,172
Earnings per share		
Basic on profit for year	37.89p	61.14p
Basic on profit for year from continuing operations	37.89p	61.08p
Basic on profit for year from discontinued operations	–	0.06p
Diluted on profit for year	37.83p	61.14p
Diluted on profit for year from continuing operations	37.83p	61.08p
Diluted on profit for year from discontinued operations	–	0.06p

9. INVESTMENT PORTFOLIO

	Unquoted Equity Shares £000	Quoted Equity Shares £000	Total Equity Shares £000
Fair value at 31 January 2009	12,521	37,014	49,535
Disposals	–	(1,805)	(1,805)
Reclassification to trading investments	–	(2,400)	(2,400)
Transfers between listed and unlisted	(9,703)	9,703	–
Transfer from investment in subsidiary on deconsolidation	2,871	–	2,871
Unrealised gain on the revaluation of investments	1,476	42,393	43,869
Fair value at 31 January 2010	7,165	84,905	92,070
Additions	–	2,133	2,133
Transfers between listed and unlisted	(3,646)	3,646	–
Disposals	–	(22,277)	(22,277)
Unrealised gain on the revaluation of investments	–	26,177	26,177
Fair value at 31 January 2011	3,519	94,584	98,103

At 31 January 2011 the Group has portfolio investments where it holds 20 per cent. or more of the issued share capital in the following companies:

Undertaking	Sector	Type	2011 %	2010 %	Net Assets £000	Profit/(loss) before tax £000	Date of financial statements
Nanoco Group Plc*	Technology	Quoted	20.0	36.3	7,854	(1,371)	31-Jul-10
Novum Securities Limited	Financial Services	Unquoted	43.4	47.7	6,405	1,547	31-Jan-11
Obtala Resources Limited*	Resources	Quoted	26.5	27.8	30,338	3,302	31-Dec-09
Tissue Regenix Group Plc*	Technology	Quoted	27.6	45.3	6,218	(5,665)	31-Jan-11
Oxford Advanced Surfaces Plc*	Technology	Quoted	25.5	26.9	8,180	(1,634)	31-Dec-10
Oxford NutraScience Group Plc*	Speciality pharmaceutical	Quoted	34.9	33.2	1,095	(830)	31-Dec-10

* Listed on AIM and accounts prepared in accordance with IFRS

All companies operate wholly or mainly in the UK, with the exception of Obtala which has subsidiaries operating in Africa and South America.

All the above portfolio investments are owned by ORA (Guernsey) Limited, a subsidiary of ORA Capital Partners Limited.

The market capitalisations as at 31 January 2011 of the quoted entities within the investment portfolio were £168.8 million for Nanoco Group Plc (2010: £154.6 million), £43.6 million for Oxford Advanced Surfaces Plc (2010: £26.0 million), £55.1 million for Tissue Regenix Group Plc (2010: £9.6 million), £98.0 million for Obtala Resources Plc (2010: £48.1 million) and £9.9 million for Oxford Nutrascience Group Plc (on admission to AIM 12 February 2010: £8.1 million).

10. PROPERTY, PLANT AND EQUIPMENT

The Group	Leasehold improvements £000	Fixtures & equipment £000	Computer equipment £000	Motor Vehicles £000	Total £000
Cost					
At 1 February 2009	65	69	181	–	315
Additions	–	–	11	–	11
Disposal on deconsolidation of subsidiary	(14)	(29)	(169)	–	(212)
At 1 February 2010	51	40	23	–	114
Additions	–	–	12	77	89
At 31 January 2011	51	40	35	77	203
Depreciation					
At 1 February 2009	51	57	117	–	225
Charge for the year	1	3	13	–	17
Disposal on deconsolidation of subsidiary	(1)	(20)	(112)	–	(133)
At 1 February 2010	51	40	18	–	109
Charge for the year	–	–	5	17	22
At 31 January 2011	51	40	23	17	131
Net book value					
At 31 January 2011	–	–	12	60	72
At 31 January 2010	–	–	5	–	5
At 31 January 2009	14	12	64	–	90

Notes to the Financial Statements (continued)

11. GOODWILL

	£000
Cost and net book value at 31 January 2009	2,341
Deconsolidation of subsidiary	(2,341)
Cost and net book value at 31 January 2010 and 2011	–

During the prior year, the Group's holding in Novum Securities Limited was diluted below 50 per cent. with the investment then deconsolidated and reclassified as a portfolio investment, see note 21 for further details.

12. TRADE AND OTHER RECEIVABLES

	2011 £000	2010 £000
Trade receivables	35	27
Other receivables	85	71
Prepayments and accrued income	32	37
	152	135

The Directors consider that the carrying amount of trade and other receivables approximates to their fair value.

A maturity analysis has not been included as with the exception of one fully provided asset, all the receivables are current, none of which are past due or impaired.

At 31 January 2011 there was no requirement for a provision for doubtful debts (2010: £nil) and there were no movements in the year (2010: £nil).

13. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: market risk (including price risk, interest risk and foreign currency risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

The management of these risks is vested in the Board of Directors. The policies for managing each of these risks are summarised below:

Management of market risk

(i) Price risk

The Group is exposed to market price risk in respect of its portfolio investments and also its trading investments and derivative financial instruments. The Group mitigates this risk by having established investment appraisal processes and asset monitoring procedures which are subject to overall review by the Board.

The Group has in place procedures and levels of authority designed to control the level of commitment to such financial instruments, either in single investments or in aggregate. It is possible, however, with full Board approval, to commit the Group to notional exposures in relation to trading investments and derivative financial instruments of up to 80 per cent. of the Group's net uncommitted cash resources.

Details of the Group's investment portfolio are given in note 9 to the financial statements.

The Group's exposure to trading investments and derivative financial instruments at 31 January 2011 is set out below:

Trading investments and derivatives

	Quoted Instruments 2011 £000	Quoted Instruments 2010 £000
Investments in trading securities	22,933	12,086
Derivative trading assets	27	2,119
Derivative trading liabilities	(252)	(100)

The Group only trades in securities and derivative financial instruments that are quoted in active markets and the related financial assets and liabilities are stated at fair values based on the contracted actual costs and the quoted market prices of those instruments at the reporting date. All the above financial assets and liabilities are due in less than one year.

The principal classes of derivative financial instruments in which the Group trades are Contracts for Difference.

Price risk sensitivity

The table below summarises the impact on the Group's profit before taxation for the year and on equity of a 10 per cent. increase/decrease in the price of both the investment portfolio and trading investment positions:

Impact of 10% price change	2011			2010		
	Quoted £000	Unquoted £000	Total £000	Quoted £000	Unquoted £000	Total £000
Investment portfolio	9,458	352	9,810	8,491	641	9,132
Investments in trading securities	2,293	–	2,293	1,209	–	1,209
Derivative trading assets	36	–	36	406	–	406
Derivative trading liabilities	191	–	191	43	–	43
Total	11,978	352	12,330	10,149	641	10,790

At 31 January 2011, the Group had pledged cash and cash equivalents of £1.7 million to brokers as collateral for liabilities or contingent liabilities relating to exposures on derivative trading assets and liabilities (2010: £0.8 million).

(ii) Interest rate risk

As the Group has no significant borrowings, the risk is limited to the reduction of interest received on cash surpluses held. Interest rate risk is managed in accordance with the liquidity requirements of the Group, with a minimum appropriate level of its cash surpluses held within an instant access account, which has a variable interest rate attributable to it, to ensure that sufficient funds are available to cover the market exposure associated with the derivative instruments.

Interest rate sensitivity

The principal impact to the Group is the result of interest-bearing cash and cash equivalent balances held as set out below. The sensitivity is based on the effect of the market volatility in the current climate and the previous 12 months.

	2011			2010		
	Fixed rate £000	Floating rate £000	Total £000	Fixed rate £000	Floating rate £000	Total £000
Cash and cash equivalents	74	8,958	9,032	275	20,847	21,122

At 31 January 2011, the impact of a 5 per cent. increase or decrease in interest rates would have increased/decreased the profit for the year and equity by £4,000 (2010: £10,000) as a result of higher/lower interest received on floating rate cash deposits.

Notes to the Financial Statements (continued)

(iii) Foreign exchange rate risk

The Group has a limited level of exposure to foreign exchange rate risk through its foreign currency denominated cash balances and its foreign currency denominated derivative trading asset and liability exposures, as shown below. The Group manages its foreign exchange risk at Board level.

	2011				2010			
	GBP £000	USD £000	CHF £000	Total £000	GBP £000	USD £000	CHF £000	Total £000
Cash and cash equivalents	3,000	575	5,457	9,032	17,052	4,070	–	21,122
Derivative financial instruments assets	27	–	–	27	2,119	–	–	2,119
Derivative financial instruments liabilities	(252)	–	–	(252)	(100)	–	–	(100)
	2,775	575	5,457	8,807	19,071	4,070	–	23,141

Foreign exchange risk sensitivity

The table below summarises the impact of a 10 per cent. increase/decrease in the relevant foreign exchange rates versus the pound sterling rate on the Group's pre-tax profit for the year and on equity. The sensitivity is based on the effect of the market volatility in the current climate and the previous 12 months:

	2011 £000	2010 £000
Impact of 10% rate change		
Cash and cash equivalents	610	370
Derivative trading assets	–	–
Derivative trading liabilities	–	–
Total	610	370

Management of credit risk

The Group's principal financial assets are bank balances and cash with institutions in support of trading. Credit risk associated with trade receivables is considered to be minimal as the majority are due from related parties with no history of defaulting and as they are immaterial in size.

The Group seeks to limit the level of credit risk on the cash balances by only depositing surplus liquid funds with counterparty banks with high credit ratings. Likewise the Group seeks to limit credit risk on derivative financial instruments by trading with institutions that also have high credit ratings and where the Group's funds are deposited with those institutions in support of trading and margin calls.

The credit risk associated with trading and portfolio investments is considered minimal.

Credit risk sensitivity

	2011 £000	2010 £000
Cash and cash equivalents		
AA	74	5,955
A	8,958	14,892
BBB*	–	275
	9,032	21,122

* the relevant bank was downgraded from A to BBB in the previous year

The maximum exposure to credit risk on the Group's financial assets is represented by their carrying amount, as outlined in the categorisation of financial instruments table below.

The Group does not consider that any changes in fair value of financial assets in the year are attributable to credit risk (2010: £0.7 million worth of provisions against bad debts were made). At 31 January 2011 the total provision against bad debts was £1.5 million (2010: £1.5 million).

No aged analysis of financial assets is presented as with the exception of one fully provided for asset, no financial assets are past due at the reporting date, see note 12.

Management of liquidity risk

The Group seeks to manage liquidity risk to ensure that sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. The Group deems there is sufficient liquidity for the foreseeable future.

No maturity analysis for financial liabilities is presented, as the Directors consider that liquidity risk is not material.

The Group had cash and cash equivalents at 31 January 2011 as set out below:

Cash and cash equivalents

	2011 £000	2010 £000
Cash at banks	5,000	20,308
Cash with institutions in support of trading	4,032	814
	9,032	21,122

As at 31 January 2011 and 31 January 2010, with the exception of investment portfolio assets, all financial assets and liabilities mature for payment within one year.

Capital risk management

The Group manages its capital to ensure that each entity and the Group will be able to continue as a going concern while maximising the return to stakeholders. To maintain or adjust the capital structure, the Group may propose a dividend payment to the shareholders, buy back shares or issue new shares.

The Company utilised £26.3 million of cash to buy back shares in the year (2010: £5.1 million) and did not pay a dividend (2010: nil).

The capital structure of the Group consists of equity attributable to the owners of the company, comprising issued capital, reserves and retained earnings as disclosed in notes 15 to 17 and in the Consolidated Statement of Changes in Equity.

The Group monitors capital by using the net assets per share ratio. At 31 January 2011 the net assets per share, excluding treasury shares held, was £2.04 compared to £1.39 at 31 January 2010. The increase in net assets per share reflects in part the effectiveness of the share buy-back policy.

No changes were made in the objectives, policies or processes during the years ended 31 January 2011 and 31 January 2010.

Notes to the Financial Statements (continued)

Categorisation of financial instruments

Financial assets/(liabilities)	At fair value through profit and loss			Total £000
	Designated upon initial recognition £000	Held for trading £000	Loans and receivables £000	
At 31 January 2011				
Investment portfolio	98,103	-	-	98,103
Trade and other receivables	-	-	120	120
Investments in trading securities	-	22,933	-	22,933
Derivatives trading assets	-	27	-	27
Cash and cash equivalents	-	-	9,032	9,032
Trade and other payables	-	-	(95)	(95)
Derivatives trading liabilities	-	(252)	-	(252)
TOTAL	98,103	22,708	9,057	129,868
At 31 January 2010				
Investment portfolio	92,070	-	-	92,070
Trade and other receivables	-	-	98	98
Investments in trading securities	-	12,068	-	12,068
Derivatives trading assets	-	2,119	-	2,119
Cash and cash equivalents	-	-	21,122	21,122
Trade and other payables	-	-	(148)	(148)
Derivatives trading liabilities	-	(100)	-	(100)
TOTAL	92,070	14,087	21,072	127,229

Net fair value gains and losses in the year that are attributable to financial assets designated at fair value through profit and loss on initial recognition (i.e. portfolio investments) and attributable to held for trading financial assets and liabilities (financial trading assets and liabilities) are shown in note 2.

Following a reclassification of a number of positions from the investment portfolio to trading investments, £nil (2010: £2.4 million) was transferred to trading investments from the investment portfolio.

Financial assets/(liabilities)	At fair value through profit and loss		Total £000
	Level 1 'Quoted prices' £000	Level 3 'Unobservable inputs' £000	
At 31 January 2011			
Investment portfolio	94,584	3,519	98,103
Investments in trading securities	22,933	-	22,933
Derivative trading assets	27	-	27
Derivatives trading liabilities	(252)	-	(252)
TOTAL	117,292	3,519	120,811
At 31 January 2010			
Investment portfolio	84,905	7,165	92,070
Investments in trading securities	12,068	-	12,068
Derivative trading assets	2,119	-	2,119
Derivatives trading liabilities	(100)	-	(100)
TOTAL	98,992	7,165	106,157

Level 1 – Unadjusted quoted prices in active markets for identical asset or liabilities;

Level 2 – Inputs (other than quoted prices in active markets for identical assets or liabilities) that are directly or indirectly observable for the asset or liability;

Level 3 – Inputs that are not based on observable market data.

A reconciliation of the movement in the investment portfolio is shown in note 9, including unrealised gains on investments held at the reporting date and transfers between unlisted (level 3) and listed (level 1) investments.

No sensitivity analysis is presented as the Directors do not consider that there is a reasonably possible change in assumptions that is likely to have a material impact.

14. TRADE AND OTHER PAYABLES

	2011 £000	2010 £000
Trade payables	14	33
Taxation and social security	12	12
Other payables	5	4
Accruals	76	111
	107	160

The Directors consider that the carrying amount of trade and other payables approximates to their fair value.

15. SHARE CAPITAL

	Number	£000
Authorised ordinary shares of 1p:		
ORA Capital Services Limited		
At 31 January 2009	175,000,000	1,750
ORA Capital Partners Limited		
At 12 January 2009, 31 January 2010 and 31 January 2011	Unlimited	Unlimited
Allotted, issued and fully paid ordinary shares of 1p:		
ORA Capital Services Limited		
At 31 January 2009	100,000,000	1,000
ORA Capital Partners Limited		
At 12 January 2009	–	–
Issue of shares	100,000,000	1,000
At 31 January 2010	100,000,000	1,000
Purchase and cancellation of shares	(27,902,967)	(279)
Cancellation of Treasury shares	(1,444,925)	(14)
At 31 January 2011	70,652,108	707

ORA Capital Partners Limited was incorporated in Guernsey on 12 January 2009. The Company was created to implement a re-organisation in relation to ORA Capital Services Limited (formerly ORA Capital Limited, formerly ORA Capital Partners Plc) which would create a greater international profile for the Group and its portfolio businesses.

Notes to the Financial Statements (continued)

Under the re-organisation, ORA Capital Services Limited became a wholly owned subsidiary of ORA Capital Partners Limited on 16 March 2009. Shareholders in the company at the time of re-organisation received 100,000,000 ordinary shares of 1p issued by ORA Capital Partners Limited in the same proportionate interest as they had in ORA Capital Services Limited, immediately prior to the re-organisation. Costs of the re-organisation and re-admission to AIM amounted to £271,000.

Under the accounting principles governing the re-organisation, as set out in note 1, the share capital presented at 31 January 2011 and 31 January 2010 is that of the legal parent, ORA Capital Partners Limited, and the share capital presented at 31 January 2009 is that of the legal subsidiary, ORA Capital Services Limited.

As at 31 January 2011, the Company held 7,058,146 ordinary shares of 1p classified as treasury shares (2010: 8,503,071) and the ORA Capital Partners Employee Share Trust held 2,500,000 ordinary shares of 1p each in the Company classified as own shares (2010: 2,250,000). Further details of the treasury shares and own shares is given in note 17.

Details of movements in the share capital of the Company subsequent to the year end are given in note 25.

16. SHARE PREMIUM, CAPITAL REDEMPTION RESERVE AND MERGER RESERVE

	Share Premium £000	Capital Redemption Reserve £000	Merger Reserve £000
At 1 February 2009	65,554	–	–
Transfer on group re-organisation	(65,554)	–	65,554
At 31 January 2010	–	–	65,554
Purchase of shares for cancellation	–	279	–
Cancellation of Treasury shares	–	14	–
At 31 January 2011	–	293	65,554

The share premium account represented the excess of consideration received for shares issued above their nominal value net of transaction costs.

The merger reserve arose on the shares issued by the Company to acquire ORA Capital Services Limited (formerly ORA Capital Limited) on 16 March 2009 in a process that did not change the economic, operations or shareholder structure of the Group.

The capital redemption reserve represents the nominal value of shares cancelled.

17. MOVEMENT IN REVENUE RESERVE, TREASURY AND OWN SHARES

	Retained earnings £000	Treasury shares £000	Own shares £000	Revenue Reserve £000
At 1 February 2009	10,640	–	–	10,640
Profit and total comprehensive income for the year	56,352	–	–	56,352
Purchase of shares for treasury	–	(5,111)	–	(5,111)
Purchase of own shares	–	–	(1,569)	(1,569)
At 31 January 2010	66,992	(5,111)	(1,569)	60,312
Profit and total comprehensive income for the year	29,453	–	–	29,453
Purchase of shares for cancellation	(26,335)	–	–	(26,335)
Cancellation of Treasury shares	(868)	868	–	–
Purchase of own shares	–	–	(248)	(248)
At 31 January 2011	69,242	(4,243)	(1,817)	63,182

Retained earnings

Retained earnings represents the cumulative profit and loss net of distributions to owners, before purchases of shares for treasury and own shares.

Treasury shares

In May 2009 the Company acquired 8,503,071 ordinary shares of 1p for treasury. The shares were acquired on the open market for a total consideration of £5,111,000. The maximum and minimum share prices paid were 60.8p and 59p per share respectively. All shares acquired have been classified as treasury shares. During the year the Company cancelled 1,444,925 treasury shares, leaving 7,058,146 shares held in treasury at 31 January 2011 at a cost of £4,243,000 and representing 9.99 per cent. of the issued share capital. The market value of these treasury shares at 31 January 2011 was £8,681,000 (2010: £10,926,000).

Own shares

The ORA Capital Employee Share Trust ("the Trust") was established with Marlborough Trust Company Limited appointed as trustee ("the Trustee") to enable the Trust to acquire shares in the Company and to make interests in those shares available for the benefit of current and future employees of the Company and its subsidiaries. The Trust's interest in the shares so acquired has been classified as own shares.

Full details of shares held by the Trustee are given in note 19.

At 31 January 2011 the Trustee held 2,500,000 shares (2010: 2,250,000), of which 2,460,000 were held jointly with a number of employees of the Group (2010: 2,150,000) and 40,000 were held wholly by the Trustee (2010: 100,000).

18. NON CONTROLLING INTERESTS**The Group**

	£000
At 1 February 2009	2,189
Non-controlling interests in share of profits post acquisition	19
Non-controlling interests on deconsolidation disposal (note 21)	(2,208)
At 31 January 2010	–
At 31 January 2011	–

19. SHARE BASED PAYMENTS

The ORA Capital Employee Share Trust ("the Trust") was established with Marlborough Trust Company Limited appointed as trustee ("the Trustee") to enable the Trust to acquire shares in the Company and to make interests in those shares available for the benefit of current and future employees of the Company and its subsidiaries.

On 12 May 2009, the Trustee purchased 2,250,000 ordinary shares of 1p each in the Company in the market at a price of 70p per share. Of these shares, 2,150,000 were acquired jointly with a number of employees of the Group ("the Employees") pursuant to certain conditions set out in Joint Ownership Agreements ("JOAs") and 100,000 were acquired wholly by the Trustee. Purchase of all the shares was initially funded in full by way of a loan contribution from the Company of £1,584,000 to the Trustee and the Employees have subsequently repaid to the Company the 1 per cent. of the purchase cost attributable to their initial interest in the jointly owned shares, amounting to £15,050.

During the year 18,500 own shares were transferred to employees when conditions set out in the JOA were met and 131,500 own shares became wholly owned by the Trustee consequent to employees leaving the Group. A further 268,500 shares were also purchased by the Trustee in the market at a price of 92p per share which was funded by way of a loan contribution of £248,000 from the Company. In addition, an interest in 460,000 own shares was sold by the Trustee to certain employees at 1 per cent. of the purchase cost attributable to their initial interests and the proceeds of £4,050 repaid to the Company.

Notes to the Financial Statements (continued)

At 31 January 2011 the Trustee held 2,500,000 shares of which 2,460,000 were held jointly with a number of employees of the Group and 40,000 were held wholly by the Trustee.

Subject to meeting the performance criteria conditions set out in the JOAs, most of any future increase in the value of the Shares will accrue to the Employees, by way of receipt of a proportionate number of wholly owned shares or, at the option of the Trustee, an alternative realisation mechanism for an equivalent amount. The consequence of these conditions is that in most instances an Employee will only be able to benefit from an increase in the value of the Shares in equal tranches on or after each of the three consecutive annual anniversaries of purchase (where an Employee is also a director of the Company, the period will cover seven rather than three consecutive annual anniversaries) and provided that the market price per share has grown at a compound annual growth rate of at least 15 per cent. over the relevant period and provided the Employee has not ceased employment with the Group on or before the date that these conditions are met.

The Employees are also, under certain circumstances, able to benefit from an increase in the value of the Shares in the manner set out above, on a takeover, change of control, scheme of arrangement or a voluntary winding-up of the Company. Where these conditions are not met, the Trustee has an option to acquire the Employee interests in the shares at a price equal to the original purchase cost paid by the Employee so that none of any increase in the value of the shares will accrue to the Employee.

The following tables illustrate the number and weighted average market purchase prices of, and movements in, jointly owned shares during the year:

	2011 Number	2010 Number
Number of jointly owned shares		
Outstanding at 1 February	2,150,000	–
Employee realisations	(18,500)	–
Transferred to 100% trust ownership	(131,500)	–
Joint ownership interests purchased by employees	460,000	2,150,000
Outstanding at 31 January	2,460,000	2,150,000
Number for which performance criteria are met at 31 January	285,714	–

	2011 pence	2010 pence
Weighted average market purchase price of jointly owned shares		
Outstanding at 1 February	70.00	–
Employee realisations	(70.00)	–
Transferred to 100% trust ownership	(70.00)	–
Jointly purchased during the year	88.00	70.00
Outstanding at 31 January	72.78	70.00
Price for shares on which performance criteria had been met at 31 January	70.00	–

The fair value of jointly owned shares purchased is estimated as at the date of purchase using a Binomial model, taking into account the terms and conditions upon which the jointly owned shares were purchased. A charge of £109,000 has been recognised in profit or loss for the year (2010: £107,000).

The following table lists the inputs to the Binomial model used for the years ended 31 January 2011 and 31 January 2010.

Jointly purchased	2011	2010
Dividend yield	–	–
Expected volatility*	40%	40%
Risk free interest rate	4.5%	4.5%
Expected duration of jointly owned shares (years)	3	3–7
Weighted average purchase price (pence)	88	70
Weighted average fair value at date of purchase (pence)	88	70

* expected volatility is based upon the share price of the Group from listing

The expected duration of the jointly owned shares assumes that the shares will be sold on the earliest date that the related performance criteria conditions are met and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

No other features of the jointly owned shares purchased were incorporated into the measurement of fair value.

20. COMMITMENTS UNDER OPERATING LEASES

At 31 January 2011 the Group had total commitments under non-cancellable operating leases falling due as follows. The majority of the leases are renewable at the end of the lease period at market rate.

	Land & Buildings 2011 £000	Land & Buildings 2010 £000	Other 2011 £000	Other 2010 £000
Amounts due within one year	94	76	–	1
Amounts due in one to five years	88	6	–	–
Total commitments	182	82	–	1

Notes to the Financial Statements (continued)

21. DECONSOLIDATION DISPOSAL OF SUBSIDIARY UNDERTAKING

During the prior year ended 31 January 2010 Novum Securities Limited ("Novum") expanded its business through a company acquisition and external fund raising which diluted ORA's shareholding from 63.7 per cent. to 47.7 per cent. At the time this holding was diluted to below 50 per cent. the investment ceased to be treated as a subsidiary and was transferred to portfolio investments with the related net assets deconsolidated as follows:

	£000
Net assets deconsolidated (100%):	
Property, plant and equipment	70
Bank and cash	3,452
Trade and other receivables	1,031
Short-term investments	710
Trade and other payables	(203)
Current tax liabilities	(440)
Attributable goodwill	2,341
Net assets	6,961
Non-controlling interest	(2,208)
Net assets deconsolidated	4,753
Re-classified investments	
Net assets deconsolidated	4,753
Loss on deconsolidation	(1,882)
Re-classified investments at fair value	2,871

The investment in Novum was transferred to portfolio investments at fair value as at the date of deconsolidation (see note 9).

The unrealised loss on deconsolidation of £1,882,000 comprised profits previously consolidated of £1,248,000 plus fair value revaluation losses of £634,000. These amounts are included within the gain/(loss) on portfolio investments for the prior year ended 31 January 2010.

The results of Novum for the period from 1 February 2009, which have been classified within discontinued operations in the consolidated financial statements, for the prior year ended 31 January 2010 are as follows:

	2010
	£000
Portfolio return and revenue	559
Administrative expenses	(478)
Operating profit	81
Finance income	21
Profit before taxation	102
Taxation	(29)
Profit after taxation	73
Attributable to:	
Equity holders of parent	54
Non-controlling interest	19
	73

22. GROUP SUBSIDIARIES

At 31 January 2011 the Group had the following wholly owned subsidiaries:

Undertaking	Sector
ABWAY Enterprises Corp.	Derivatives and equities trading
OCS Trading Limited*	Derivatives and equities trading
ORA (Guernsey) Limited	Investment holding and management
ORA Capital Services Limited	Professional and administration services

* Share held by ORA Capital Services Limited

ABWAY Enterprises Corp. is incorporated in the British Virgin Islands. ORA (Guernsey) Limited is incorporated in Guernsey and the others are all incorporated in England and Wales.

The companies operate wholly or mainly in the country of incorporation.

23. RELATED PARTY TRANSACTIONS

Trading transactions

During the year the following transactions were carried out by the Group with related parties as follows:

	2011 £000	2010 £000
Transactions with portfolio investments (common directorships as below):		
Advisory fees charged in the year	65	67
Property rentals charged in the year	25	26
Commission charged in the year	150	102
Amounts due from portfolio investments at the year end	35	28

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received.

Details of portfolio investments where the Company holds 20 per cent. or more of the issued share capital are given in note 9 to the financial statements.

Directors' Transactions and Key Management Personnel

The Group's key management personnel comprise only the Directors of the Company.

During the year Group companies entered into the following transactions in which the Directors had an interest:

(i) Directors' remuneration

The remuneration of the individual Directors is provided in the Directors' Remuneration Report and disclosed in note 5 of the financial statements.

	2011 £'000	2010 £'000
Short term employee benefits	405	371
Share based payments*	97	88
	502	459

* Michael Bretherton holds shares in the Company jointly with the ORA Capital Partners Employee Trust

Notes to the Financial Statements (continued)

(ii) Directors' interests in subsidiaries and portfolio investments

The Directors had investments in, and held board positions at, the following portfolio investment companies as at 31 January 2011:

Name	Business	% of issued share capital held 2011	% of issued share capital held 2010	Board position held at subsidiary or related company
Richard I Griffiths	Oxford Advanced Surfaces Plc	5.47	4.96	
Michael A Bretherton	Oxford Advanced Surfaces Plc	0.32	0.23	Director
James L Ede-Golightly	Oxford Advanced Surfaces Plc	0.27	0.29	
Beatrice M H Hollond	Oxford Advanced Surfaces Plc	0.03	0.03	
Richard I Griffiths	Tissue Regenix Group Plc	–	2.42	
Michael A Bretherton	Tissue Regenix Group Plc	0.26	0.33	Director
James L Ede-Golightly	Tissue Regenix Group Plc	0.04	–	
Beatrice M H Hollond	Tissue Regenix Group Plc	0.06	0.08	
Richard I Griffiths	Novum Securities Limited	3.35	3.69	
Michael A Bretherton	Novum Securities Limited	0.56	0.61	
James L Ede-Golightly	Novum Securities Limited	–	–	
Beatrice M H Hollond	Novum Securities Limited	0.56	0.61	
Michael A Bretherton	Nanoco Group Plc	0.11	0.12	Director
James L Ede-Golightly	Nanoco Group Plc	0.30	0.35	
Michael A Bretherton	Obtala Resources Limited	0.27	0.14	Director
James L Ede-Golightly	Obtala Resources Limited	–	0.14	Director
Michael A Bretherton	Oxford NutraScience Group Plc	0.35	0.33	Director
Beatrice MH Hollond	Oxford NutraScience Group Plc	0.18	0.17	
James L Ede-Golightly	Oxford NutraScience Group Plc	0.04	0.50	

* Includes holdings in shares held jointly with Trustees of the company's Employee Benefit Trust

24. ULTIMATE PARENT COMPANY

At 31 January 2011 the Directors do not believe that there was an ultimate controlling party.

25. POST BALANCE SHEET EVENTS

On 11 February 2011, 3 March 2011 and 10 March 2011, the Company completed the buy-backs of 749,876, 385,000 and 565,000 ordinary shares of 1p at a price of £1.23, £1.245 and £1.20 per share respectively.

These ordinary shares amounting to 1,699,876 in total are to be cancelled and in addition 188,666 ordinary shares held in Treasury are also to be cancelled with the result that the Company's capital now consists of 68,763,566 ordinary shares of which 6,869,480 are held in Treasury. The total number of voting rights in the Company is therefore now 61,694,086.

NOTICE OF ANNUAL GENERAL MEETING

ORA CAPITAL PARTNERS LIMITED (Incorporated in Guernsey with registered company number 49907)

NOTICE IS HEREBY GIVEN that the 2011 Annual General Meeting of ORA Capital Partners Limited (the “**Company**”) will be held at the Company’s registered office, Dixcart House, Sir William Place, St. Peter Port, Guernsey GY1 4EZ on 19 July 2011 at 11.00 a.m. to transact the following business:

ORDINARY BUSINESS

1. To receive and adopt the Directors’ Report, the Audited Statement of Accounts and Auditors’ report for the year ended 31 January 2011.
2. To re-elect Michael Bretherton as a director of the Company, who retires by rotation pursuant to the Articles of Incorporation of the Company.
3. To re-elect Beatrice Hollond as a director of the Company, who retires by rotation pursuant to the Articles of Incorporation of the Company.
4. To re-appoint Baker Tilly Channel Islands Limited as auditors of the Company and to authorise the Directors to determine their remuneration.

SPECIAL BUSINESS

As special business to consider and, if thought fit, pass the following resolutions, of which Resolution 5 will be proposed as ordinary resolution and Resolution 6 will be proposed as a special resolution:

Allotment of shares

5. **THAT** the Directors be hereby generally and unconditionally authorised, in substitution for all previous powers granted to them, pursuant to Article 8 of the Company’s Articles of Incorporation (the “**Articles**”) to exercise all the powers of the Company to allot and make offers to allot equity securities (as defined in Article 8 of the Articles) up to an aggregate nominal amount of £226,920 provided that this authority shall expire at the conclusion of the annual general meeting of the Company to be held in 2012 or 31 July 2012 (whichever is earlier) save that the Company may before such expiry make an offer or enter into an agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of such offer or agreement as the authority conferred hereby had not expired.

Disapplication of pre-emption rights

6. **THAT** the Directors be authorised and empowered, in substitution for all previous power granted to them, pursuant to Article 9 of the Articles to allot equity securities (as defined in Article 8 of the Articles) for cash pursuant to the authority referred to in resolution 5 above as if Article 9.2 of the Articles did not apply to any such allotment provided that this power should be limited to the allotment of equity securities:
 - 6.1 on a pro rata basis to the holders of ordinary shares in the Company where the equity securities respectively attributable to the interests of such holders are proportionate (as nearly as may be practicable) to the respective numbers of ordinary shares held by them, but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient to deal with any fractional entitlements or any legal or practical problems under law of, or the requirements of any regulatory body or any recognised stock exchange in, any territory; and

NOTICE OF ANNUAL GENERAL MEETING (continued)

6.2 with an aggregate nominal amount of £68,764 otherwise than pursuant to paragraph 6.1 above,

and this authority shall expire at the conclusion of the annual general meeting of the Company to be held in 2012 or 31 July 2012 (whichever is earlier), save that the Company may before such expiry make an offer or enter into an agreement which would or might require relevant securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of such offer or agreement as the authority conferred hereby had not expired.

By order of the Board

James Ede Golightly

Company Secretary

10 May 2011

ORA Capital Partners Limited

Dixcart House

Sir William Place

St. Peter Port

Guernsey GY1 4EZ

EXPLANATORY NOTES

Entitlement to attend and vote

1. The Company specifies that only those members registered on the Company's register of members at:

- 11.00 a.m. on 17 July 2011; or,
- if this Meeting is adjourned, at 11.00 a.m. on the day two days prior to the adjourned meeting,

shall be entitled to attend and vote at the Meeting.

Appointment of proxies

2. If you are a member of the Company at the time set out in note 1 above, you are entitled to appoint one or more proxies to exercise all or any of your rights to attend, speak and vote at the Meeting and you should have received a proxy form with this notice of meeting. You can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form.
3. A proxy does not need to be a member of the Company but must attend the Meeting to represent you. Details of how to appoint the Chairman of the Meeting or another person as your proxy using the proxy form are set out in the notes to the proxy form. If you wish your proxy to speak on your behalf at the Meeting you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to them.
4. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If you either select the "Discretionary" option or if no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the Meeting.

Appointment of proxy using hard copy proxy form

5. The notes to the proxy form explain how to direct your proxy how to vote on each resolution or withhold their vote.

To appoint a proxy using the proxy form, the form must be:

- completed and signed;
- sent or delivered to Capita Registrars (Proxies), The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU; and received by Capita Registrars no later than 11.00 a.m. on 17 July 2011.

In the case of a member which is a company, the proxy form must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company.

Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.

Appointment of proxy by joint members

6. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).

Changing proxy instructions

7. To change your proxy instructions simply submit a new proxy appointment using the methods set out above. Note that the cut-off time for receipt of proxy appointments (see above) also apply in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded.

Where you have appointed a proxy using the hard-copy proxy form and would like to change the instructions using another hard-copy proxy form, please contact Capital Registrars (Proxies), The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU.

If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

Termination of proxy appointments

8. In order to revoke a proxy instruction you will need to inform the Company by sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment as above. In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice.

The revocation notice must be received by Capita Registrars no later than 11.00 a.m. on 17 July 2011. If you attempt to revoke your proxy appointment but the revocation is received after the time specified then, subject to the paragraph directly below, your proxy appointment will remain valid.

Appointment of a proxy does not preclude you from attending the Meeting and voting in person. If you have appointed a proxy and attend the Meeting in person, your proxy appointment will automatically be terminated.

Issued shares and total voting rights

9. As at 6.00 p.m. on 9 May 2011, the Company's issued share capital (including 6,869,480 treasury shares) comprised 68,763,566 ordinary shares of 1p each. Each ordinary share carries the right to one vote at a general meeting of the Company and, therefore, the total number of voting rights in the Company as at 6.00 p.m. on 9 May 2011 was 61,894,086.

Quorum

10. The quorum for the Meeting is two Shareholders present either in person or by proxy. The majority required for the passing of each of the ordinary resolutions is a simple majority of the total number of votes cast on each such ordinary resolution.
11. At the Meeting the votes may be taken on the Resolutions by a show of hands or on a poll. On a show of hands every Shareholder whether present in person or by proxy has one vote. On a poll every Shareholder who is present, in person or

NOTICE OF ANNUAL GENERAL MEETING (continued)

by proxy, shall have one vote for every Ordinary Share held by him. A Shareholder entitled to more than one vote need not use all of his votes or cast all of the votes he uses in the same way.

12. To allow effective constitution of the meeting, if it is apparent to the Chairman that no Shareholders will be present in person or by proxy, other than by proxy in the Chairman's favour, then the Chairman may appoint a substitute to act as proxy in his stead for any Shareholder, provided that such substitute proxy shall vote on the same basis as the Chairman.

Documents on display

13. The following documents will be available for inspection at the registered office of the Company during normal business hours on any weekday (weekends excepted) from the date of this notice until 19 July 2011 and at the place of the Meeting for 15 minutes prior to and during the Meeting:
 - a. copies of the service contracts of executive directors of the Company; and
 - b. copies of letters of appointment of the non-executive directors of the Company.



ORA Capital Partners Limited
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Guernsey
GY1 4EZ