ACP Mezzanine Limited

Results for the year ended 31 December 2008

The Board of ACP Mezzanine Limited ("ACPM" or the "Company": AIM: ACPM) today announces the results of the Company and its subsidiaries (together, the "Group") for the 12 months ended 31 December 2008.

Key points:

- Significant board changes in August 2008 resulting in Mr. John Chapman being co-opted to the board and Messrs Vago, Youngblood and Tanghe resigning. Stephen Coe appointed to the Board in December 2008.
- No new investments since new Board elected; a loan commitment of circa €9.1 million provided to a company related to Leasecom SAS remains undrawn as at 31 December 2008.
- Confirmation of new strategy to pursue a realisation strategy through the sale of assets and return cash to investors.
- Repayment and termination of banking facilities leaving the Company with no leverage.
- Replacement of all major service providers, strengthening of internal controls and the appointment of BDO Stoy Hayward LLP as auditors.
- Made a first distribution to shareholders of €0.1065 per share (€25.1 million in total) in December 2008.
- Revaluation of investment and loan portfolio resulting in a consolidated unrealised loss for year of €70.7 million (2007: profit of €10.2 million).
- Net asset value per share at 31 December 2008: €0.324 (31 December 2007: €1.018).
- Loss per share for year ended 31 December 2008: 40.25 cents (31 December 2007: diluted earnings per share 9.98 cents).
- Consolidated cash and cash equivalents at the balance sheet date of €11.8 million (31 December 2007: €15.2 million).
- Write down of €9 million loan investment in PFAFF Industrie Maschinen AG to zero following the insolvency of this company in September 2008 but pursuing an insolvency claim.

Commenting, John Chapman, Chairman said:

"The past year has been a difficult one for ACPM and its shareholders, with the combination of a risky portfolio, a difficult market and internal turmoil leading to a substantial diminution in the ACPM's value. I believe that we have taken the necessary steps to provide a firm foundation to return capital to shareholders. We are now a far less risky company than we were at the mid-year when I joined. We have no leverage, our expenses have been cut significantly and we now have in place internal controls we believe are appropriate. Since the year end we have sold two assets and we are hopeful that we will complete further asset sales as the year progresses and thus be able to return additional capital to shareholders".

Contacts

- Hugh Field, Collins Stewart Europe, +44 (0) 207 523 8350 (Nominated Adviser)
- Tim McCall/James Longfield, Hogarth Partnership, +44 (0) 207 357 9477

The financial information set out in the announcement does not constitute the company's statutory accounts for the years ended 31 December 2008 or 2007. The financial information for the year ended 31 December 2007 is derived from the statutory accounts for that year.

The audit of the statutory accounts for the year ended 31 December 2008 is complete. The auditors reported on those accounts; their report was unqualified and did not include references to any matters to which the auditors drew attention to by way of emphasis without qualifying their report.

The Company expects the full annual report and financial statements to be posted to shareholders and published on its web site (www.acpcapital.com) on 30 March 2009.

CHAIRMAN'S STATEMENT

ACP Mezzanine Limited's ("**ACPM**") net asset value ("**NAV**") per share declined by 68 percent in 2008 to 32.4 eurocents per share (2007: 101.8 eurocents per share). The reduction in the value of our portfolio and cash led to a loss of €70.7 million. This is not surprising given how the crisis in the global financial markets has magnified the risky nature of ACPM's portfolio. The following table shows our portfolio as at year end:

Asset	Value as at 31.12.08 (€m)	% of Total	Value as at 31.12.07 (€m)	% of Total
IFR Senior Facilities	25.6	33.7%	39.5	28.7%
IFR Preferred Equity	16.2	21.3%	24.2	17.6%
CLOs	9.4	12.4%	37.4	27.2%
Other Corporate Loans	6.1	8.1%	4.9	3.6%
Leasecom ABS Loan	5.9	7.7%	N/a	N/a
CDOs	0.8	1.0%	9.5	6.9%
RMBS	0.3	0.3%	6.8	4.9%
Total investments	**64.3**	**84.5%**	**122.3**	**88.9%**
Cash	11.8	15.5%	15.2	11.1%
Total	**76.1**	**100.0%**	**137.5**	**100.0%**

Structured products are carried at the average of indicative bids because actual trading data is generally unavailable. The IFR Capital plc ("**IFR**") preferred shares are carried at the same price as the most junior IFR debt. Please bear in mind that these carrying values are not necessarily the values that we would or could achieve if we sold these assets in the market.

Progress has been made in selling some of our very illiquid assets, reducing risk, and resolving some of the problems we inherited. Following the year-end, we have sold our interests in GCI Automotive Holding GmbH ("**GCI Automotive**") and Iceland Foods Group Limited ("**Iceland**") for €3.3 million and €3.9 million respectively. We returned €0.015 per share (€3.5 million in total) to shareholders in March 2009 from the proceeds of the GCI Automotive disposal and we expect to return the proceeds of the Iceland disposal later on in the year. In December 2008, we made a distribution of €0.1065 per share (€25.1 million in total), which comprised the excess cash from the secondary capital raise in June plus income from our investments. Earlier in the year a dividend for the second half of 2007 of €0.05 per share was paid.

We have reduced risk by eliminating leverage and putting in place appropriate internal controls. We no longer have any debt. In the face of an external investigation related to the activities of former management and shareholder complaints about ACPM's secondary offering in June 2008, we changed our Board of Directors, beefed up our internal controls, and brought in new legal counsel, a new NOMAD, a new accounting firm and a new administrator.

Our 2009 total operating expenses are budgeted at €3.6 million (2008: €5.8 million). Interest on the IFR debt, interest on the structured products and interest from other loans comprise the expected income. In budgeting we do not take into account future asset sales or income from our investment in the IFR preference shares. Given the economic climate and nature of ACPM's portfolio, it is impossible to be certain about the ability of our borrowers to meet their obligations. This is especially true in regard to expected income from the structured products we hold. Nonetheless, even given the highly unlikely scenario that all of our structured products were to default over the next year, we would still be able to meet our obligations.

The Year in Review

I would like now to review the most significant events of the past year, including the unsuccessful secondary offering in June, the shareholder requisition in August, changes to the Board, the Pfaff Industrie Maschinen AG ("**PFAFF**") insolvency, the elimination of leverage in September, and the shareholder decision in December to change ACPM's investment strategy, commence disposing of assets and commence returning capital to shareholders.

ACP MEZZANINE LIMITED

CHAIRMAN'S STATEMENT

The Secondary Offering

In an RNS announcement dated 7 May, ACPM announced "its intention to raise approximately €150 million via a secondary equity issue in order to support a strong pipeline of investment opportunities. . . . [relating to] non-investment grade financing of SME businesses." ACPM claimed that "[s] uch opportunities reflect the excellent market conditions from both an origination and pricing standpoint currently in the markets in which ACP Mezzanine is an active participant." The "pipeline's" largest component was something called "ConPAIR" or "Helios," a large structured transaction comprising 61 small loans to continental European SME borrowers. The plan was that ACP Capital Limited ("**ACP**") would invest €15.0 million and ACPM would invest €57.0 million in several classes of notes issued through a Lehman Brothers CDO with an eight year maturity. ACPM further intended to lever this transaction through the Deutsche Bank credit facility and thereby increase returns (and risk).

Subsequent to ACPM's announcement of its intent to raise capital to make further investments but prior to the actual capital raise, ACP's largest shareholder, owning close to 30 percent of ACP's shares, served a written demand on ACP that ACP (and *a fortiori* ACPM) cease making new investments and forthwith return capital to shareholders. ACP rejected the shareholder's demands, stated that it would continue to make new investments and offered to assist the shareholder in disposing of its investment in ACP through a "block trade."

In disregard of the shareholder dissatisfaction at ACP and its likely effect on ACPM, ACP moved ahead with a June capital raise for ACPM. An RNS announcement dated 4 June 2008 stated that "the management of the investment manager, including the Executive Directors Derek Vago and Eric Youngblood, committed to a combined minimum subscription of €1.25 million in the placing." The disclosed minimum commitment of management does not appear to have been adequately documented as of these 2,083,334 shares that were acquired by ACP "on behalf of management," Mr Vago paid the consideration for none of his 1,750,000 allocation while Mr. Youngblood paid the consideration for 71,000 of his 167,000 allocation. Not only did these Executive Directors apparently fail to participate as represented, the offering was ultimately unsuccessful. The shares were placed at €0.60 per share rather than at €0.80 per share as was originally intended. Rather than raising €150 million, the offering raised only €80 million. Of that €80 million, almost 60 percent or €47.5 million was a subscription from ACP.

The Uses and Intended Uses of the Funds Raised

One use of the funds raised in the secondary offering was a €9 million investment in the debt of PFAFF. GCI Management AG ("**GCI**"), one of ACP's "strategic platforms," introduced this opportunity. A wholly-owned subsidiary of GCI was the majority shareholder in PFAFF and the PFAFF loan was secured by a pledge over these shares.

Less than 90 days after drawdown, PFAFF had voluntarily filed for insolvency. According to a report issued by a "stakeholder conference" on the eve of insolvency, PFAFF suffered from an unworkable capital structure including liquidity constraints, high overheads, "over-aged" product lines, uncompetitive product pricing and other issues. We do not expect any recovery, although we have filed a claim with the insolvency court.

A second obligation that ACPM entered into with funds raised in the offering was a commitment to Leasecom Group SAS ("**Leasecom**"), a French leasing company, to provide financing to one of their related companies of up to €15 million for the acquisition of leases, primarily for computer equipment. As of the date of this release, that obligation is 60 percent drawn down.

The third transaction that was planned was "ConPair," described above. On the part of ACPM, this would have been an investment in excess of €57 million with an eight year life. This transaction was scheduled to close on 27 July.

Following the requisition at ACP, ACPM renegotiated its financing arrangements with Deutsche Bank. Under the terms of this restructuring Deutsche Bank was entitled to an increase in fees payable through 2012 regardless of whether the facility remained in place. Moreover, the facility contained a "key man" provision that would be triggered if several of the former managers left ACP. This agreement was signed on 8 July, nine days prior to the ACP EGM, when it should have been quite apparent that little more than a week later two "key men" might no longer be with ACP.

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CHAIRMAN'S STATEMENT

On 17 July, an EGM of shareholders removed the majority of ACP's board. The new board immediately demanded that the Board of ACPM step down and that ACPM cease any further investments. ACP, which was to be a co-investor in ConPair, informed the other investors, including ACPM, that it would not go ahead with that transaction. This effectively blocked ConPair since ACPM did not have sufficient capital to fulfil ACP's part of the transaction. ACPM's Board did not voluntarily step down forcing ACP to serve a requisition calling for the removal of three of the Directors. Thereafter, these Directors resigned. Following the requisition and subsequent changes, ACPM's Board comprised three new Directors and one Director from the previous board.

Besides me, our current board comprises Stephen Coe, George Baird and Rupert Walker. Steve is a UK qualified Chartered Accountant, former Investec Trust (Guernsey) Limited Managing Director, with extensive experience in the management and administration of investment companies. Steve chairs our Audit Committee. Steve has been instrumental in introducing appropriate internal controls, appointing a new auditor and a new administrator, and outsourcing our accounting. Rupert is an English solicitor. He is a former partner at a major international law firm and is the Managing Director of Saltgate Limited, our new administrator. I believe we are lucky to have them on board.

Reduction of Risk

Upon taking office it was quite apparent that we had much work to do, with a legacy of unpaid liabilities. Creditors were hounding us, and some creditors even threatened legal action unless paid forthwith. There were certain external investigations with regards to matters which had occurred prior to our taking office. ACPM's new leverage facility was an economic drain on ACPM. Given the precipitous drop in the value of ACPM's portfolio of structured products beginning in June, ACPM was forced to meet repeated margin calls by posting cash for collateral. As a consequence, the facility was a drain on cash, no longer provided significant leverage and no longer served any economic purpose. We therefore informed Deutsche Bank that we intended to terminate the leverage facility and paid breakage costs of about €3.9 million. This represented a discount of 15 percent to the amount contractually required under the agreement that former management had signed on 8 July.

As a result of criticisms arising from external investigations into matters which had occurred prior to our taking office, we have strengthened our internal controls, replaced our service providers, and put in place systems to ensure regulatory compliance. We believe that these steps, costly and time consuming as they may have been in the short-term, provide a firmer foundation for ACPM and reduce our risk profile.

Finally, at an EGM held on 9 December 2008, our shareholders authorised ACPM to: (i) cease pursuing ACPM's investment strategy; (ii) commence disposing of assets; (iii) commence returning the proceeds to shareholders; and, (iv) make distributions out of capital. Immediately following the EGM, the Board of Directors of ACPM approved a distribution of €0.1065 per share, which was made on 19 December 2008. Following the year end, we have sold two more assets.

Our Portfolio

Omitting the two assets we sold following year end – the GCI Automotive and Iceland loans – our portfolio at year end looked as follows:

IFR Capital plc

IFR is a Cyprus domiciled company, also traded on the AIM market and headquartered in Dusseldorf. At year end 2008, its shares traded at €0.10 per share, down 90 percent from flotation little more than two years earlier, and had a market capitalisation of around €23 million. ACPM owns four classes of debt and a class of preferred equity. The debt does not trade and is carried at an indicative price. The preferred equity is carried at 55.5 percent of par, which represents a reduction in value of 44.5 percent since our semi-annual report. The reasoning behind this write down has nothing to do with what we expect to ultimately realise, but, rather, IFR's preferred equity, in our view, cannot be marked above IFR's most junior debt, which was indicatively priced at 55.5 percent of par at year end.

IFR comprises three major operating subsidiaries: Nordsee GmbH, Europe's largest fish restaurant chain and number one non-burger fast food chain in Germany and Austria; Homann Chilled Food GmbH, a German – based manufacturer of chilled food and convenience products; and Hamker Lebensmittel Beteiligungs GmbH and Co. AG, a German manufacturer of sauces and dressings. The concept behind IFR was to "roll up" the German food industry and generate profits by creating synergies and eliminating inefficiencies. IFR went public in November

2006 with an offering that raised €135 million before costs. ACP was one of the two sponsors in the offering and invested €17.34 million. ACP received a further 20.8 million shares from assets contributed in kind to IFR. According to the IFR offering document and the advisory services agreement, ACP was to have assisted IFR in its "acquisition strategy" and contracted with IFR to provide "advisory services," which included two IFR board seats. By the end of 2007, ACP and ACPM had a total investment in aggregate in IFR of about €186 million. This comprised four classes of debt, a class of preferred equity shares and the ordinary equity.

By February 2008, the relationship between ACP / ACPM and IFR had disintegrated amidst accusations and litigation. ACP management resigned from its two IFR board seats and commenced a lawsuit against both IFR and ING Bank, as lender, alleging the breach of a technical aspect of one tranche of the IFR debt. In response, IFR disavowed the advisory services agreement and counterclaimed against ACP for breach of fiduciary duty. By the time of the ACP EGM in July, a UK court had denied ACP summary judgment, the IFR claim had been dismissed on *forum non conveniens* grounds, the ING claim had been stayed, and about £1 million in legal fees had been incurred.

IFR is a public company and shareholders can access its website at www.ifrcapital.eu for a reasonable amount of information. IFR's primary challenge is cleaning up its capital structure. At year end, IFR had €164 million of debt and about €117 million of preferred equity. The debt comprises three classes of senior secured debt, a class of subordinated, second lien debt and two classes of preference shares. ACPM is an investor in all four classes of the debt as well as one class of the preference shares. One class of the debt is amortizing while the other three are interest only with bullet payments of principle between 2015 and 2017. To date there have been no interest or repayment defaults.

ACPM owns €24.1 million of IFR's Class A preference shares. For 2008, they accrued a coupon of 20 percent per annum resulting in accruals of €4.8 million. For 2009, the coupon increases to 27.5 percent per annum and for 2010 it steps up further to 37.5 percent per annum. The preference shares are redeemable at the option of IFR at par plus accrued interest.

CDO, RMBS, and CLO Structured Assets

ACPM holds one CDO investment, two RMBS investments and nine CLO investments, all of which were made during 2006 and 2007.

Each CLO is essentially a form of securitisation where payments from multiple middle-sized and large business loans are pooled together and investors acquire different tranches. CDOs have a similar structure and comprise, typically, real estate asset-backed loan portfolios, including other CDOs. RMBS structured assets comprise portfolios of residential mortgage backed securities in the UK. We believe that one of the problems with all three of these instruments is that they are difficult to analyse in detail because they comprise a large and varied collection of assets, the value of which is not always readily calculable. A second layer of complexity has to do with the structure of the investments and how ratings downgrades and defaults affect the entitlement of different tranches to payment. ACPM holds the lower-ranked tranches with only the equity tranche as a default cushion. Most CLOs limit the amount of lower-rated debt that can be held in the portfolio – so-called ratings concentration tests – which means that as credits are downgraded the portfolio becomes over concentrated in lower rated debt. This may cause the suspension or termination of interest payments to the lower rated tranches.

For a company the size of ACPM it would have been virtually impossible to comprehensively analyse all of the credits in any of these instruments. Rather, we believe the investment theory supporting these investments was relatively simple. The rating agencies rated the CDO, CLO, and RMBS tranches. Historical default rates for the different ratings were known. Pricing obtained was somewhat better than historical default rates would have implied. The instruments carried internal leverage and could be levered again using a facility such as that ACPM had with Deutsche Bank. So for some, these appeared to be attractive investments that after being levered could yield in the double digits. Subsequent to the financial crisis, markets have viewed such instruments with suspicion, which is reflected in the current pricing reflected at the year end and further falls since 31 December 2008.

At present there is almost no trading market for these products. We obtain indicative pricing from five different bank sources. ACPM's original nominal value of investments in CLOs was €37.7 million and at year end, the indicative value was €9.4 million. Its original nominal value of CDO investments was €9.5 million and at year end, the indicative value was €0.8 million. The original nominal value of RMBS assets was £5.0 million and at year end, the indicative value was £0.3 million.

Given this pricing, it does not seem appropriate to be selling these assets now since even the payment of one or two more coupons would often exceed the bids that we see. A recent example involves one of our CLOs with a bi-annual coupon. The market maker bid 4 percent of par. ACPM holds a €7 million face value investment in this instrument. So the market maker was effectively offering ACPM €280,000 for this investment. This bid was 73 percent of a single coupon or about 4.4 months' worth of coupon. Looked at another way, if ACPM receives one more coupon that coupon will be 1.4x the indicative bid. With these, we believe it is better to continue to hold.

Leasecom Group SAS

Leasecom is a private French leasing company headquartered in Paris with the website www.leasecom.fr. Leasecom's business model is primarily originating computer equipment leasing contracts with SME companies and brokering these contracts to refinancing banks. Leasecom, as a broker, traditionally does not bear credit risk, but is itself dependent on bank financing.

In June 2008, ACPM committed to provide financing to a subsidiary of Leasecom of up to €15 million to enable it to retain loans on its own balance sheet rather than to sell them to banks. The term of the loan is essentially seven years and the repayment is insured, which results in a current long-term credit rating of A+/Aa3/AA (Standard & Poor's / Moody's / Fitch Ratings). ACPM's facility was €5.85 million drawn as at 31 December 2008 with €9.15 million of the committed facility remaining to be drawn down. ACPM and Leasecom now enjoy a good relationship and are in continuing discussions concerning the future.

* * * *

The past year has been a difficult one for ACPM and its shareholders. ACPM has suffered from internal turmoil and difficult market conditions. We know quite well that most of our shareholders have seen a substantial diminution in the value of their investment. That said, I believe we have taken the necessary steps to provide a firm foundation for future returns of capital. We are a far less risky company than we were at mid-year; we have no leverage; we now have in place internal controls we believe are appropriate; we are making no further investments; and, following year end, we have sold two assets. We have returned €3.5 million to shareholders from the proceeds of the first disposal and will announce shortly the distribution of proceeds from the second disposal. We are hopeful that we will complete further asset sales as the year progresses and thus be able to return additional capital to shareholders.

I look forward to reporting to you again following our half-year results.

Respectfully yours,

John D. Chapman
Chairman
ACP Mezzanine Limited
26 March 2009

ACP MEZZANINE LIMITED

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Consolidated Income Statement
For the year ended 31 December 2008

	Notes	2008 €	2007 €
Investment income			
Losses on investments at fair value through profit or loss		(24,057,920)	-
Dividend and interest income		14,765,307	13,031,674
Loss on disposal of loans and receivables		-	(6,250)
Fees and other income		615,000	2,596,892
Total investment income		(8,677,613)	15,622,316
Exchange movements		(236,591)	(809,032)
Impairment of loans and receivables		(21,435,114)	-
Impairment of Available-for-sale investments		(30,813,934)	-
Equity-settled share-based payments	20	-	(64,569)
Investment manager's fees	21	(2,511,379)	(1,942,767)
Other operating expenses	7	(3,021,305)	(252,109)
Operating (loss) profit		(66,695,936)	12,553,839
Finance expense	8	(5,784,601)	(2,798,202)
Finance income	8	1,745,272	458,234
(Loss) profit before tax		(70,735,265)	10,213,871
Income taxes	9	-	-
(Loss) profit for the period attributable to the equity shareholders		(70,735,265)	10,213,871
(Loss) / earnings per share			
Basic	19	(40.25) cents	10.07 cents
Diluted	19	(40.25) cents	9.98 cents

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Consolidated Balance Sheet
As at 31 December 2008

		2008	2007
Assets	**Notes**	**€**	**€**
Non-current assets			
Investments measured at fair value through profit or loss	10	41,022,886	63,019,114
Investment classified as loans and receivables	11	-	58,728,562
Available-for-sale investments	12	22,488,110	-
		63,510,996	121,747,676
Current assets			
Investments measured at fair value through profit or loss	10	756,474	538,460
Trade and other receivables	14	1,072,292	9,024,895
Cash and cash equivalents		11,781,538	15,157,208
Total current assets		13,610,304	24,720,563
Total assets		77,121,300	146,468,239
Liabilities			
Non-current liabilities			
Loans and borrowings	15	-	34,854,559
Total non-current liabilities		-	34,854,559
Current liabilities			
Trade and other payables	16	724,701	8,324,655
Total current liabilities		724,701	8,324,655
Total liabilities		724,701	43,179,214
Net assets		76,396,559	103,289,025
Equity & Reserves			
Issued capital	17	-	-
Share premium	18	148,499,969	95,783,580
Retained earnings		(72,103,370)	7,505,445
Total equity and reserves		76,396,559	103,289,025
Net asset value per share (eurocents)		32.4	101.8

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Consolidated Cash Flow Statement
For the year ended 31 December 2008

	2008 €	2007 €
Cash flow from operating activities:		
(Loss) / profit for the financial period	(70,735,265)	10,213,871
Movement in fair value of investments and loans	24,057,920	-
Finance expense	5,784,601	2,798,202
Finance income	(1,745,272)	(458,234)
Exchange rate differences	236,591	809,032
Impairment of investments classified as loans and receivables	21,435,114	-
Impairment of Available-for-sale investments	30,813,934	-
Changes in working capital:		
Decrease / (increase) in trade and other receivables	7,952,603	(505,183)
(Decrease) / increase in trade and other payables	(7,130,883)	535,807
New lending / investments	(20,644,194)	(132,820,420)
Sale / repayment of investments	1,536,057	103,981,379
Net cash flow from operations	(8,438,794)	(15,445,546)
Cash flow from financing activities		
Proceeds from issues of share capital	80,000,000	-
Costs of issues of share capital	(3,176,733)	-
Share options exercised	1,000,000	-
Repayment of financing	(47,764,656)	(21,024,486)
Interest paid and other related financing costs	(6,247,383)	(2,476,676)
Drawdown of financing facilities	13,729,933	44,664,837
Bank interest received	1,745,272	458,234
Capital distribution	(25,106,878)	-
Dividends paid	(8,873,550)	(6,591,780)
Net cash flow from financing activities	5,306,005	15,030,129
Effects of exchange rate changes on cash and cash equivalents	(242,881)	(225,602)
Net decrease in cash and cash equivalents	(3,375,670)	(641,019)
Opening cash and cash equivalents	15,157,208	15,798,227
Closing cash and cash equivalents	11,781,538	15,157,208

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Consolidated Statement of Changes in Equity
For the year ended 31 December 2008

	Share capital €	Share premium €	Retained earnings €	Total €
At 31 December 2006	-	95,783,580	3,818,785	99,602,365
Profit for the year	-	-	10,213,871	10,213,871
Dividends paid	-	-	(6,591,780)	(6,591,780)
Equity settled share based payments	-	-	64,569	64,569
At 31 December 2007	-	95,783,580	7,505,445	103,289,025
Loss for the year	-	-	(70,735,265)	(70,735,265)
Dividends paid	-	-	(8,873,550)	(8,873,550)
Capital distribution	-	(25,106,878)	-	(25,106,878)
Shares issued	-	76,823,267	-	76,823,267
Share options exercised	-	1,000,000	-	1,000,000
At 31 December 2008	-	148,499,969	(72,103,370)	76,396,599

NOTES TO THE FINANCIAL STATEMENTS

1 General Information

ACP Mezzanine Limited ("**ACPM"** or the "**Company**"), while in investment mode, provided sub-investment grade finance to European small and mid-sized enterprises - with a primary focus on the United Kingdom, France, Germany and Italy. The financial statements for the year ended 31 December 2008 were authorised for issue by the Board of Directors on 26 March 2009.

At an EGM held on 9 December 2008, ACPM's shareholders approved a resolution authorising the Company to dispose of assets in an orderly basis and return the proceeds to shareholders by way of distributions.

2 Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards, International Accounting Standards and Interpretations (collectively "**IFRSs**") issued by the International Accounting Standards Board ("**IASB**") as adopted by the European Union and with those parts of Companies (Jersey) Law 1991 applicable to companies preparing their financial statements under IFRSs.

The financial statements are presented in Euro, the functional and presentational currency of the Company.

They are prepared under the historical cost convention modified to include investments measured at fair value through profit or loss. The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on the experience of the Directors and other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The most significant techniques for estimation are described in the accounting policies or notes to the financial statements.

Note 3 sets out a description of the significant accounting policies of the Company. The accounting policies are consistent with those applied in the year ended 31 December 2008, and amended to reflect the adoption of the new standards, amendments to standards or interpretations which are mandatory for the first time for the financial year ended 31 December 2008.

Standards, amendments and interpretations to published standards not yet effective

Certain new standards, amendments and interpretations to existing standards have been published that are mandatory for the Company's accounting periods beginning after 1 January 2009 or later periods and which the Company has decided not to adopt early.

These are listed below and not expected to have a significant impact on the Company's financial statements:

Amendments to IFRIC 9 and IAS 39 – Embedded Derivatives (effective for accounting period beginning on after 30 June 2009 – still to be endorsed)

Amendments to IFRS 7 – Improving disclosures about Financial Instruments (effective for accounting period beginning on after 1 January 2009 – still to be endorsed)

Amendments to IAS 1 – Presentation of Financial Statements : A Revised Presentation (effective for accounting period beginning on after 1 January 2009)

IAS 27 - Consolidated and Separate Financial Statements (effective for accounting periods beginning on or after 1 July 2009)

IAS 32 & IAS1 - Puttable Financial Instruments and Obligations Arising on Acquisition (effective for accounting periods beginning on or after 1 January 2009)

IFRS1 & IAS 27 - Cost of an Investment in a Subsidiary, Jointly-Controlled Entity or Associate (effective for accounting periods beginning on or after 1 January 2009)

IAS 39 - Financial Instruments: recognition and Measurement:Eligible Hedged Items (effective for accounting periods beginning on or after 1 July 2009)

IFRIC 13 - Customer Loyalty Programmes (effective for accounting periods beginning on or after 1 July 2008)

IFRIC 15 - Agreements for the Construction of Real Estate (effective for accounting periods beginning on or after 1 January 2009)

IFRIC 16 - Hedges of a Net Investment in a Foreign Operation (effective for accounting periods beginning on or after 1 October 2008)

IFRIC 17 - Distributions of Non-Cash Assets to Owners (effective for accounting periods beginning on or after 1 July 2009)

IFRIC 18 - Transfer of Assets from Customers (effective for accounting periods beginning on or after 1 July 2009)

Amendment to IFRS2 - Share Based payments: Vesting Conditions and Cancellations (effective for accounting periods beginning on or after 1 January 2009)

IFRS 3 - Business Combinations and Complementary Amendments to IAS 27 Consolidated and Separate Financial Statements (both effective for accounting periods beginning on or after 1 July 2009)

IFRS 8 - Operating Segments (effective for accounting periods beginning on or after 1 January 2009)

3 Significant accounting policies

The accounting policies have been consistently applied for the purpose of producing these financial statements. The significant accounting policies applied are as follows:

a) Basis of consolidation

The financial information in the Group's Financial Statements for the year ended 31 December 2008 incorporates the Financial Statements of the Company and its subsidiaries. Subsidiaries are entities controlled by the Group. Control exists when the company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that are currently exercisable or convertible are taken into account. The financial statements of the subsidiaries are included in the consolidated financial statements from the date that the control commences until the date control ceases.

Intra-group balances and any unrealised gains and losses arising from intra-group transactions are eliminated in preparing the Financial Statements of the Group.

As the subsidiaries of the group were dormant during the year, the Group and Company accounts are the same.

b) Investments measured at fair value through profit and loss

Investments are recognised and derecognised at trade date. All listed and unlisted equity investments are designated as at fair value through profit or loss and subsequently carried in the balance sheet at fair value.
The valuation technique used for each class of investment is as follows:

Preference equity– valued as a percentage to par using the same percentage to par of indicative bids of junior debt in the company in which the preference equity is held.

Syndicated loans – valued based on indicative bids from market makers.

c) Loans and receivables

These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the Company will be unable to collect all of the amounts due under the terms receivable, the amount of such provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable.

d) Available-for-sale investments

Non-derivative financial assets not included in the above categories are classified as available-for-sale and comprise principally the Company's CDOs, CLOs and SME loans. They are carried at fair value and valued based indicative bids from market makers. Where there is a significant or prolonged decline in fair value of an Available-for-sale financial asset (which constitutes objective evidence of impairment), the full amount of the impairment, including any amount previously charged to equity is recognised in the income statement. Purchases and sales of Available-for-sale financial assets are recognised on trade date with any change in fair value between trade date and settlement date being recognised in retained earnings. On sale, the amount held in the Available-for-sale reserve associated with that asset is removed from equity and recognised in the income statement.

e) Trade and other receivables

Trade and other receivables are recognised initially at fair value. A provision for impairment is established where there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables concerned.

f) Cash & cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

g) Loans

All loans and borrowings are initially recognised at the fair value of the consideration received net of issue costs associated with the borrowings. After initial recognition, these are subsequently measured at amortised cost using the effective interest method, which is the rate that exactly discounts the estimated future cash flows through the expected life of the liabilities. Amortised cost is calculated by taking into account any issue costs and any discount or premium on settlement.

h) Trade and other payables

Trade and other payables are stated at amortised cost.

i) Equity instruments

Equity instruments issued by the Company are recognised at the proceeds or fair value received. As share capital has nil par value proceeds are credited to the share premium account. Direct issue costs are deducted from share premium.

j) Revenue

Income from loans and receivables is recognised as it accrues by reference to the principal outstanding and the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash flows through the expected life of the financial asset to that asset's carrying value.

Fee income earned on financing arrangements that relate to investments measured at fair value through profit or loss are recognised when that investment is made. Fees earned from financing arrangements that relate to investments classified as loans and receivables are recognised over the life of the assets. Fees in respect of any ongoing services are recognised as that service is provided.

Dividends from equity investments are recognised in the income statement when the shareholders rights to receive payment have been established.

k) Dividends

Dividends are recognised when they become legally payable. In the case of interim dividends to equity shareholders, this is when declared by the Directors. In the case of final dividends, this is when approved by the shareholders at the AGM.

l) Share-based payments

Where equity settled share options are awarded to Directors, the fair value of the options at the date of grant is charged to the income statement over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied a charge is made irrespective of whether the market vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

When the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the income statement over the remaining vesting period.

m) Finance expense

Interest expense is calculated using the effective interest rate method. Finance costs are recognised in the income statement over the period of the loans and borrowings related to those costs.

n) Foreign currency translation

Transactions entered into in a currency other the Euro are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the balance sheet date. Exchange differences arising on the retranslation of unsettled monetary assets and liabilities are translated at the rates ruling at the balance sheet date. Exchange differences arising on the retranslation of unsettled monetary assets and liabilities are recognised immediately in the income statement.

4 Significant judgments, key assumptions and estimates

The Company's significant accounting policies are stated in note 3 above. Not all of these significant accounting policies required management to make difficult, subjective or complex judgements or estimates. The following is intended to provide an understanding of the policies that management consider critical because of the level of complexity, judgment or estimation involved in their application and their impact on the financial statements. These judgments involve assumptions or estimates in respect of future events. Actual results may differ from these estimates.

a) Fair value of financial instruments

The Company determines the fair value of financial instruments that are not quoted by using either indicative prices' or valuation techniques. These indicative prices and valuation techniques are significantly affected by the assumptions used, including discount rates and estimates of future cash flows. In that regard, the derived fair value estimation cannot always be substantiated by comparison with independent markets and in many cases may not be capable of being realised immediately. Note 6 states the financial risk management policies for the Company.

b) Trade receivables and interest receivables on investments

The Company is required to judge when there is sufficient objective evidence to require the impairment of individual trade receivables or interest receivable on its investments. It does this on the basis of the age of the relevant receivables, external evidence of the credit status of the debtor entity and the status of any disputed amounts.

c) Legal proceedings

The Company reviews outstanding legal cases at each balance sheet date in order to assess the need for provisions and disclosures in the financial statements. This requires the Company's management to make determinations about various factual and legal matters beyond its control. Among the factors considered in making decisions on provisions are the nature of litigation, claim or assessment, the legal process and potential level of damages in the jurisdiction in which the litigation, claim or assessment has been brought, the progress of the case the opinions or views of legal advisers, experience on similar cases and any decision of the Company's management as to how it will respond to the litigation, claim or assessment.

5 Segment reporting

The Directors consider that there is only one business segment being specialist integrated finance and asset management and only one geographic area being Europe.

6 Financial risk management

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

a) Concentration risk

Concentration risk arises from individual investments to which the Group has significant exposure. The Group defines significant exposure as at least 20 percent of gross portfolio value. Concentration risk is managed through regular review of public information and from review of reports from debt agents and similar, where appropriate. The Group seeks to communicate regularly with managers of these investments. ACPIM reports quarterly to the Board on the relevant investments.

The concentration risk at year end was:
IFR Capital plc – the Group's exposure totaled €41.8 million of the net asset value total of €76.6 million at 31 December 2008 (2007: €63.7 million of the net asset value total of €103.3 million.)

b) Market price risk

Market price risk arises from uncertainty in the future value of financial instruments. No new investments are being made. Existing investments are managed by the investment advisor who reports regularly to the board to review past and expected future performance. The nature of investments is diverse. Monitoring includes reviewing monthly and quarterly financial management reports and monthly portfolio managers' reports. Regular contact is maintained with borrowers, agent banks and portfolio managers. Board meetings are also attended. Where available, prices are monitored daily as are companies on watch lists. Investments are not actively traded but opportunistic sales of investments have occurred. All pricing is indicative only as there is little, if any, actual trading in other instruments.

The Company's investments are exposed to market price fluctuation. If the valuation of the Company's investment had been 20 percent lower at 31 December 2008 the Company's loss would have been higher and the Company's net assets lower by €12.9 million (2007: €24.5 million). A 20 percent increase in value would, on the same basis, have decreased the loss and increased net assets by the same amount.

c) Interest rate risk

As the Company has no borrowings, interest rate risk arises solely from interest received in respect of the Company's investments and loans and cash balances. Investments and loans issued at floating interest rates expose the Company to cash flow interest rate risk.

The table below details the Company's exposure to interest rates at 31 December 2008 by reference to the earlier of the contractual re-pricing or maturity date:

2008

	Within 1 year €	1 - 2 years €	3 - 5 years €	Over 5 years €	Total €
Fixed rate:					
Investments measured at fair value through profit or loss	-	-	-	13,375,500	13,375,500
Floating rate:					
Investments available-for-sale	-	-	215,520	22,272,590	22,488,110
Investments measured at fair value through profit or loss	756,474	3,144,893	3,611,587	20,890,906	28,403,860
Cash and cash equivalents	11,781,538	-	-	-	11,781,538
	12,538,012	3,144,893	3,827,107	56,538,996	76,049,008

2007

	Within 1 year €	1 - 2 years €	3 - 5 years €	Over 5 years €	Total €
Fixed rate:					
Investments measured at fair value through profit or loss	-	-	-	24,100,000	13,375,500
Floating rate:					
Loans and receivables	-	-	-	58,728,562	58,728,562
Investments measured at fair value through profit or loss	538,315	2,173,678	5,747,352	30,998,084	39,457,429
Cash and cash equivalents	15,157,208	-	-	-	15,157,208
Loans and borrowings	-	-	(34,854,559)	-	(34,854,559)
	15,659,523	2,173,678	(29,107,207)	113,826,646	102,588,640

Floating rate interest is based on Libor and Euribor and a fixed margin.

The Company monitors movements in interest rates on an ongoing basis and has factored in the current low rates of Libor and Euribor in its projections.

At 31 December 2008, if interest rates on Euro denominated floating rate investments and loans had been 150 basis points lower with all other variables held constant, loss after tax for the year would have €1.4 million lower.

The Directors consider that 150 basis points is the maximum likely change in Euro interest rates over the next year. The Directors consider that UK and US interest rates are unlikely to fall significantly further than their current rates.

d) Foreign exchange risk

The Company invests in assets denominated in currencies other than the Euro. The Company has no foreign exchange hedging in place as the Directors do not consider that the reduction in foreign currency exposure warrants the cash flow risk created from such hedging techniques. Therefore the movements in the exchange rate between the Euro and any currencies in which the Company transact expose the Company to currency risk resulting in gains or losses on retranslation into the Euro. These movements in the exchange rate may be influenced by factors such as trade imbalances, levels of short term interest rates, differences in relative values of similar assets in different currencies, long term opportunities for investment and capital appreciation and political developments.

The table below details the Company's exposure to foreign currencies at 31 December 2008:

2008

	Euro €	Sterling €	US Dollar €	Swiss Franc €	Total €
Total Assets	72,075,157	4,056,118	984,012	6,013	77,121,300
Total Liabilities	(723,822)	(879)	-	-	(724,701)
Net assets	71,351,335	4,055,239	984,012	6,013	76,396,599

2007

	Euro	Sterling	US Dollar	Swiss Franc	Total
	€	€	€	€	€
Total Assets	129,916,208	14,103,229	2,443,447	5,355	146,468,239
Total Liabilities	(37,270,007)	(4,576,734)	(1,332,473)	-	(43,179,214)
Net assets	92,646,201	9,526,495	1,110,974	5,355	103,289,025

The table below shows the effect on the Net assets of the Company at the balance sheet date if Sterling had strengthened or weakened by various percentages against the Euro with all other variables held constant.

	2008	2007
% change in Sterling against Euro	**€**	**€**
20% weakened	75,720,726	101,701,276
10% weakened	76,027,941	102,422,980
5% weakened	76,203,492	102,835,382
Year end closing rate	76,396,599	103,289,025
5% strengthened	76,610,033	103,790,419
10% strengthened	76,847,181	104,347,524
20% strengthened	77,410,409	105,670,649

e) Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet their interest payment and capital repayment obligations.

The Company is exposed to credit risk from deposits with banks and financial institutions. The credit risk on cash and cash equivalents is limited due to the high proportion of funds being held with high rated banking institutions. The table below shows the balance of cash and cash equivalents held with various financial institutions at the end of the reporting period.

Bank & rating at 31 December 2008	**2008**	**2007**
	€	**€**
Deutsche Bank AG **- rated AA-**	11,340,965	11,340,965
The Bank of New York Mellon Corp. **- rated AA-**	440,573	-
	11,781,538	11,340,965

The Company is exposed to a loss in investment value, loss in income and increase in costs, such as legal fees, if counterparties of their investments fail to meet their interest payment obligations.

The table below shows the fair value of the Company's investments at the end of each of reporting periods and the rating of those investments (where applicable).

	2008		**2007**	
	€	**%**	**€**	**%**
Syndicated loans:				
Rating - BB	15,920,993	25%	22,000,145	18%
Rating – B	9,688,873	15%	-	-
Rating – B-	-	-	17,457,429	14%
	25,609,866	40%	39,457,574	32%
Preference shares (not rated)	16,169,494	25%	24,100,000	20%
SME loans (not rated)	12,032,900	19%	4,762,100	4%
CLO[1]**:**				
Rating - BB	7,785,128	12%	12,690,674	10%
Rating – BB-	-	-	18,000,000	14%
Rating – B	1,634,150	3%	7,000,000	6%
	9,419,278	15%	37,690,674	30%
CDO [2]**:**				
Rating - BB	760,000	1%	-	-
Rating – BB-	-	-	9,500,000	8%
	760,000	1%	9,500,000	8%
RMBS [3]**:**				
Rating – BBB	-	-	5,714,520	5%
Rating – BB	-	-	1,061,268	1%
Rating - B	263,693	0%	-	-
Rating - CCC	12,239	0%	-	-
	275,932	0%	6,775,788	6%
	64,267,470	100%	122,286,136	100%

[1] Structured portfolio of leveraged loan assets (**"CLO"**)

[2] Structured portfolio of debt assets (**"CDO"**)

[3] Structured portfolio of residential mortgage assets (**"RMBS"**)

In all cases the lowest ranking debt tranches are held for CLO and CDO investments. As such, the Directors consider these investments pose a credit risk, particularly as there is no active market for these assets and underlying portfolio asset defaults are increasing and expected to continue.

To mitigate against potential interest default and loss in value, investments are managed on an ongoing basis as follows:

- Review of monthly reports.
- Daily monitoring of watch- listed companies in CLO portfolios.
- Monthly contact with CLO and CDO managers in particular to determine steps to remedy defaults on covenants and performance of portfolio assets.
- Review of quarterly financial covenant compliance certificates.
- Regular contact with agent banks or in some instances the borrower directly, to determine covenant compliance, trading status and performance.

However, there is no guarantee that these credit risk management procedures will be able to limit potential loss in investment value or loss of income from counterparties who default on their obligations. If any or the Company's counterparties default on interest payments, the Company's revenues and profitability will be adversely affected.

f) Liquidity risk

Liquidity risk is the risk that the Company will be unable to meet its financial commitments.

During the year the Company repaid its borrowings and at 31 December 2008 the Company had working capital of €12.1 million represented by €11.8 million of cash, €1.1 million of short-term receivables and €0.8 million of short-term liabilities.

The Company's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due and to budget for a high multiple of operating costs to revenue such that ongoing operating costs are fully covered by the income currently generated by the Company's assets.

To monitor liquidity risk, the Board receives rolling 12 month cash flow projections on a quarterly basis as well as information regarding cash balances and indications of any potential defaults on income from its investments.

g) Capital risk management policies and objectives

Following the EGM of the parent company ACP Capital Limited on 17 July 2008, the Company's capital management policy and objective is to return capital to shareholders by way of distributions.

7 Operating expenses

Operating expenses include the following amounts:

Services provided by the Company's auditor

During the year the Company obtained the following services from the Company's auditors, Kingston Smith LLP and BDO Stoy Hayward LLP:

Audit services	**2008**	**2007**
	€	**€**
Audit services		
Statutory audit	58,633	36,665
Non audit services		
Taxation and other services	17,471	13,959
	76,104	50,624

Director emoluments	**2008**	**2007**
	€	**€**
Director's emoluments	38,310	82,654

The Company does not employ staff.

Bad debts	**2008**	**2007**
	€	**€**
Bad debt expense	2,075,527	-

8 Net finance costs

	2008	**2007**
	€	**€**
Finance income		
Interest received on bank deposits	(1,745,272)	(458,234)
Finance expense		
Interest payable on bank borrowings	3,574,649	2,285,360
Amortised cost of financing	-	512,842
Break costs	2,209,952	-
	5,784,601	2,798,202
Net finance cost	4,039,329	2,339,968

9 Income taxes

The Company is registered in Jersey as an exempt company and is therefore, not liable to Jersey income tax on profits derived outside Jersey. Confirmation has been obtained from the Controller of Income Tax in Jersey that, by concession, the companies will be liable to tax in Jersey only in respect of income, other than bank interest income, arising in Jersey. During the year no income, other than bank interest income, arose in Jersey.

With effect from the 2009 year of assessment Jersey abolished the exempt company regime for existing companies. Profits arising in the Company for the 2009 year of assessment and future periods will be subject to tax at the rate of 0 percent. In the prior year the Company was exempt from taxation under the provisions of Article 123A of the Income Tax (Jersey) Law 1961 as amended.

10 Investments measured at fair value through profit or loss

	2008 €	2007 €
Opening balance	63,557,429	-
Additions	-	138,557,429
Interest income receivable after more than one year	2,793,994	-
Disposals	(1,536,057)	(75,000,000)
Movement in fair value of investments	(23,036,006)	-
Closing balance	41,779,360	63,557,429
Disclosed in current assets	756,474	538,315
Disclosed in non-current assets	41,022,886	63,019,114
	41,779,360	63,557,429

The fair value of listed investments is based on quoted market price at the balance sheet date. The fair value of unlisted investments is determined by using indicative prices or valuation techniques.

11 Loans and receivables

	2008 €	2007 €
Opening balance	58,728,562	107,522,875
Additions	16,361,052	23,815,607
Repayments	-	(72,025,541)
Exchange rate movements	(966,180)	-
Interest income receivable after more than one year	-	(837,853)
Impairment of loans and receivables	(22,254,950)	253,474
Transfer to Available-for-sale investments	(51,868,484)	-
Closing balance	-	58,728,562

Loans and receivables comprise collateralised debt obligations, collateralised loan obligations, SME loans and RMBS assets and are carried at amortised cost using the effective interest rate method, less provision for impairment. Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the Company will be unable to collect all of the amounts due under the terms receivable, the amount of such provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable.

12 Available-for-sale investments

	2008	2007
	€	€
Transfer from loans and receivables	(51,868,484)	-
Additions	1,489,294	-
Exchange rate movements	(55,734)	-
Impairment of Available-for-sale investments	(30,813,934)	-
Closing balance	22,488,110	-

Following the EGM in December 2008, the Company announced that it would seek to dispose of its assets and distribute proceeds to its shareholders by way of capital distributions. Accordingly assets previously disclosed as Loans and receivables have been reclassified to Available-for-sale investments.

Available-for-sale investments are carried at fair value which is determined by using indicative prices.

Where the valuation of an asset was based on an average of indicative prices, if the lowest price had been used then the value of the Group's Available-for-sale investments at 31 December 2008 would have been €1.71 million lower (€1.71 million greater if highest price used).

13 Financial instruments by category

The accounting policies for financial instruments have been applied to line items as follows:

2008

	Assets at fair value through profit or loss	Available-for-sale assets	Loans and receivables	Total
	€	€	€	€
Assets as per balance sheet				
Preference share investments	16,169,494	-	-	16,169,494
Syndicated loans	25,609,866	-	-	25,609,866
CDOs	-	760,000	-	760,000
CLOs	-	9,419,278	-	9,419,278
SME loans	-	12,032,900	-	12,032,900
RMBS	-	275,932	-	275,932
Trade and other receivables	-	-	1,072,292	1,072,292
Cash and cash equivalents	-	-	11,781,538	11,781,538
	41,779,360	22,488,110	12,853,830	77,121,300

	Liabilities held at amortised cost	Total
	€	€
Liabilities as per balance sheet		
Trade and other payables	235,158	235,158
Amounts owed to parent company and subsidiaries of parent	490	490
Borrowings	-	-
	724,701	724,701

2007

	Assets at fair value through profit or loss	Available-for-sale assets	Loans and receivables	Total
	€	€	€	€
Assets as per balance sheet				
Preference share investments	24,100,000	-	-	24,100,000
Syndicated loans	39,457,574	-	-	39,457,574
CDOs	-	-	9,500,000	9,500,000
CLOs	-	-	37,690,674	37,690,674
SME loans	-	-	4,762,100	4,762,100
RMBS	-	-	6,775,788	6,775,788
Trade and other receivables	-	-	9,024,895	9,024,895
Cash and cash equivalents	-	-	15,157,208	15,157,208
	63,557,574	-	82,910,665	146,468,239

	Liabilities held at amortised cost	Total
	€	€
Liabilities as per balance sheet		
Trade and other payables	8,324,655	8,324,655
Borrowings	34,854,559	34,854,559
	43,179,214	43,179,214

14 Trade and other receivables

	2008	2007
	€	€
Accrued interest receivable	1,054,785	964,582
Other receivables	17,507	8,060,313
	1,072,292	9,024,895

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above. The Company does not hold any collateral as security. At 31 December 2008, and 31 December 2007, there were no trade and other receivables that were past due or impaired.

15 Loans and borrowings

	2008	2007
	€	€
Bank loans	-	34,854,559
	-	34,854,559

The maturity profile of borrowings is as follows:

In the fifth year	-	34,854,559

The currency profile of borrowings is as follows:

Euro	-	29,182,848
US Dollar	-	1,323,165
Sterling	-	4,348,546
	-	34,854,559

16 Trade and other payables

	2008 €	2007 €
Trade payables	10,139	7,861,873
Amounts owed to parent company and subsidiaries of parent	489,543	-
Accruals	225,019	462,782
	724,701	8,324,655

17 Share capital

Authorised, called up and fully paid.	2008 No.	2008 €	2007 No.	2007 €
Opening balance	101,412,000	-	101,412,000	-
Ordinary shares issued in secondary placing	133,333,333	-	-	-
Share options exercised	1,000,000	-	-	-
Closing balance	235,745,333	-	101,412,000	-

In June 2008 a secondary placing of 133,333,333 shares was made at €0.60 cents per share, which provided proceeds of €76,823,267 after costs. Also in the period, ACP Capital Limited exercised options as part of an Option Deed to acquire 1,000,000 shares at €1.00 per share which provided net proceeds of €1,000,000.

18 Share premium

	2008 €	2007 €
Brought forward	95,783,580	95,783,580
Issued on placing	80,000,000	-
Cost of share issue	(3,176,733)	-
Share options exercised	1,000,000	-
Capital distribution – December 2008 - €0.1065 per share	(25,106,878)	-
Carried forward	148,499,969	95,783,580

19 (Loss) / earnings per share

The calculation of the basic earnings and diluted earnings per share attributable to the equity shareholders of the Company is based on the following data:

(Loss) / earnings	2008 €	2007 €
(Loss) / earnings for the purposes of basic earnings per share being profit attributable to equity shareholders of the Company	(70,735,265)	10,213,871
Number of shares		
Weighted average number of ordinary shares for the purposes of basic earnings per share	175,755,379	101,412,000
Effect of dilutive potential ordinary shares: Share options	-	1,058,884
Weighted average number of ordinary shares for the purposes of diluted earnings per share	175,755,379	102,470,884

Share options with an exercise price exceeding the weighted average quoted price of the issued shares in the period have been excluded from the calculation of diluted earnings per share as they are not deemed dilutive.

20 Share -based payments

The Company has options in issue to purchase ordinary shares of the Company.

	2008 € Weighted average exercise price	2008 No.	2007 € Weighted average exercise price	2007 No.
Outstanding at beginning of year		11,032,080		11,140,080
Granted during the year (exercise price €0.75)		-		375,000
Exercised during the year		(1,000,000)		-
Lapsed during the year		(375,000)		(483,000)
Outstanding at end of year	1.00	9,657,080	0.99	11,032,080

No share options were granted in the year. The total fair value of options granted during 2007 was €76,674. All of the options granted in 2007 vested in that year. The following information is relevant in the determination of the fair value of options granted during 2007 under the equity share option scheme operated by the Company.

	2007 €
Option pricing model used	Black Scholes
Exercise price	0.75
Expected Life of Option (years)	5
Expected dividend yield	2%
Expected volatility	3%
Dividend yield	0%
Discount for newly listed companies	20%

The Company recognised the following total expenses and costs in respect of equity settled share payments in the period.

	2008 €	2007 €
Recognised as an expense and charged to Income Statement	-	64,569
	-	64,569

21 Related parties

Related party transactions between the Company, its parent company ACP Capital Limited and fellow subsidiaries of the parent were as follows:

Balance due from/owed to related entities at the balance sheet date:

	2008 €	2007 €
Owed to:		
ACP Capital Limited (parent company)	295,897	-
ACP Capital UK LLP (subsidiary of parent)	879	-
ACP Investment Management Limited (subsidiary of parent)	192,767	-
	489,543	-

Expense transactions with related entities during the year were as follows:

	2008 €	2007 €
Expense		
ACP Capital Limited – loss on transfer of loans and receivables	-	6,250
ACP Capital UK LLP – recharged expenses	879	-
ACP Investment Management Limited – investment management fee	2,511,379	1,942,767
ACP Investment Management Limited – performance fee	192,767	192,767
	2,705,025	2,141,784

ACP Capital Limited

ACP Capital Limited holds 127,699,798 ordinary shares in the Company, representing 54.17 percent of the Company at 31 December 2008.

ACP Capital Limited holds 9,141,200 options to acquire ordinary shares in the Company at an exercise price of €1.00 per share.

During the year, loans and receivables with an amortised cost of €nil (2007: €7,978,284) were transferred to ACP Capital Limited giving rise to a loss of €nil (2007: €6,250).

ACP Investment Management Limited

In 2006, the Company entered into an Investment Management Agreement with ACPIM, a wholly owned subsidiary of ACP Capital Limited. Under the Agreement, ACPIM was appointed investment manager for an initial period of 3 years and given discretion to deal with the Company's assets subject to certain guidelines. The period of appointment was extended to 7 years starting in December 2007. The annual management fee chargeable by ACPIM is currently based on 1.75 percent of gross shareholders' equity as reduced by returns of capital to shareholders. Additionally, ACPIM is entitled to a performance fee equivalent to 25 percent above a benchmark return.

22 Subsidiary companies

Name	Country of incorporation and registration	Percentage owned
ACP Mezzanine (UK) Limited	England and Wales	100%
ACP Mezzanine Asset Holdings 1 Limited	Jersey	100%
ACP Mezzanine Asset Holdings 2 Limited	Jersey	100%

The principal activity of ACP Mezzanine (UK) Limited is investments holdings. ACP Mezzanine Asset Holdings 1 Limited and ACP Mezzanine Asset Holdings 2 Limited are dormant.

23 Dividends

	2008	2007
	€	€
Interim dividends paid:		
Year ended 31 December 2006 – paid February 2007	-	2,028,240
Year ended 31 December 2007 – paid August 2007	-	4,563,540
Year ended 31 December 2007 – paid March 2008	5,070,600	-
Year ended 31 December 2008 – paid July 2008	3,802,950	-
	8,873,550	6,591,780
Capital distribution – paid December 2008	25,106,878	-
	33,980,428	6,591,780

24 Post balance sheet events

On 9 January 2009, the Company sold its €3.0 million subordinated debt investment in GCI Automotive Holding GmbH with a successful 17.5 percent IRR on gained interest.

On 4 February 2009, a subsidiary of the Company sold its participation in the Iceland Foods Group Limited mezzanine loan for €3.9 million.

On 3 March 2009, ACPM made a distribution to shareholders of 1.5 eurocents per share (€3.5 million in total).

25 Commitments

On 11 June 2008, the Company made a commitment to a subsidiary of Leasecom Group SAS to provide financing of up to €15 million. As at 31 December 2008, ACPM had acquired notes totalling €5.85 million under this commitment.

The loans notes are issued at market rate and the maximum exposure to credit risk on commitments at the reporting date is €9.15 million.