

**Prime Rate Cash Management Funds
(Isle of Man) PLC**

Interim financial statements

For the period from 1 April 2011 to 30 September 2011

Prime Rate Cash Management Funds (Isle of Man) PLC

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Prime Rate Cash Management Funds (Isle of Man) PLC

Income account

For the period from 1 April 2011 to 30 September 2011

	Notes	Unaudited 1 April 2011 to 30 Sept 2011 GBP	Unaudited 1 April 2010 to 30 Sept 2010 GBP	Audited 1 April 2010 to 31 March 2011 GBP
Income				
Investment income	1(b)	<u>515,621</u>	<u>755,237</u>	<u>1,357,296</u>
		515,621	755,237	1,357,296
Expenses				
Secretarial and administration		(34,135)	(18,753)	(107,091)
Directors' fees		(12,092)	(10,882)	(11,963)
Audit fees		-	(3,463)	(11,862)
Overprovision of audit fees		6,096	-	-
Directors' insurance		(12,532)	(9,893)	(18,209)
Listing fees		-	(417)	(417)
Rating fee		(2,539)	(1,560)	-
Management fees		(10,918)	(15,947)	(31,139)
Loss on exchange	1(c)	<u>(2,047)</u>	<u>(7,899)</u>	<u>(2,888)</u>
		(68,167)	(68,814)	(183,569)
Surplus for the period before taxation		<u>447,454</u>	<u>686,423</u>	<u>1,173,727</u>
Taxation	2	-	-	-
Surplus for the period after taxation		<u>447,454</u>	<u>686,423</u>	<u>1,173,727</u>
Distributions paid to participating shareholders		(394,292)	(574,943)	(998,056)
Retained earnings for the period		<u>53,162</u>	<u>111,480</u>	<u>175,671</u>
Balance brought forward		724,542	548,871	548,871
Balance carried forward		<u><u>777,704</u></u>	<u><u>660,351</u></u>	<u><u>724,542</u></u>

All the items dealt with in arriving at the above results relate to continuing operations.

In both the current and preceding financial periods, there were no recognised gains or losses other than those dealt with in the income account.

The notes on pages 4 and 5 form part of these interim financial statements.

Prime Rate Cash Management Funds (Isle of Man) PLC

Statement of assets and liabilities

As at 30 September 2011

	Notes	Unaudited 30 Sept 2011 GBP	Unaudited 30 Sept 2010 GBP	Audited 31 March 2011 GBP
Fixed assets				
Investments	3	126,481,899	191,487,088	163,253,870
Current assets				
Accrued income		86,192	115,939	87,740
Prepayments and other debtors		18,830	84,412	7,948
		<u>105,022</u>	<u>200,351</u>	<u>95,688</u>
Creditors: amounts falling due within one year				
Accruals		(38,626)	(13,761)	(17,294)
Distributions payable		(68,643)	(89,656)	(55,850)
Participating shares	5	<u>(125,701,848)</u>	<u>(190,923,571)</u>	<u>(162,551,772)</u>
		<u>(125,809,117)</u>	<u>(191,026,988)</u>	<u>(162,624,916)</u>
Net current (liabilities)		(125,704,095)	(190,826,637)	(162,529,228)
Net assets attributable to shareholders		<u><u>777,804</u></u>	<u><u>660,451</u></u>	<u><u>724,642</u></u>
Capital and reserves				
Management share capital	4	100	100	100
Funds attributable to participating shareholders		<u>777,704</u>	<u>660,351</u>	<u>724,542</u>
Total shareholders' funds		<u><u>777,804</u></u>	<u><u>660,451</u></u>	<u><u>724,642</u></u>

The notes on pages 4 and 5 form part of these interim financial statements.

These interim financial statements were approved and authorised for issue by the board of directors on and were signed on their behalf by:



Director



Director

Prime Rate Cash Management Funds (Isle of Man) PLC

Statement of changes in net assets attributable to participating shareholders

For the period from 1 April 2011 to 30 September 2011

<i>Note</i>	Unaudited 1 April 2011 to 30 Sept 2011 GBP	Unaudited 1 April 2010 to 30 Sept 2010 GBP	Audited 1 April 2010 to 31 March 2011 GBP
Opening net assets attributable to participating shareholders	163,276,314	189,669,856	189,669,856
Amounts received on issue of units	109,597,688	126,804,895	183,481,423
Amounts paid on redemption of units	(146,799,172)	(119,903,727)	(204,803,404)
Exchange loss on units	351,560	(5,098,582)	(5,247,232)
	<u>(36,849,924)</u>	<u>1,802,586</u>	<u>(26,569,213)</u>
 Changes in net assets attributable to participating shareholders from activities	 53,162	 111,480	 175,671
 Closing net assets attributable to participating shareholders	 <u><u>126,479,552</u></u>	 <u><u>191,583,922</u></u>	 <u><u>163,276,314</u></u>
 Represented by:			
Participating shares	5 125,701,848	190,923,571	162,551,772
Retained earnings	777,704	660,351	724,542
	<u><u>126,479,552</u></u>	<u><u>191,583,922</u></u>	<u><u>163,276,314</u></u>

The notes on pages 4 and 5 form part of these interim financial statements.

Prime Rate Cash Management Funds (Isle of Man) PLC

Notes to the interim financial statements

For the period from 1 April 2011 to 30 September 2011

1 Accounting policies

(a) Accounting convention

These unaudited financial statements have been prepared under the historical cost convention and in accordance with generally accepted Accounting Standards in the United Kingdom and the Isle of Man Companies Act 2006.

(b) Income

Income is accounted for on a receivable basis.

(c) Foreign currencies

Transactions in foreign currencies are recorded using the average rate of exchange during the period. Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange at the balance sheet date. Exchange differences are taken into account in arriving at the operating surplus.

(d) Investments

Investments are valued at market value. The gain or loss in value is taken to the income account.

(e) Statement of cashflows

Under FRS 1 (revised 1996), the company is exempt from the requirement to prepare a cash flow statement on the grounds that it qualifies as an open-ended investment fund.

2 Taxation

The company qualifies as non-relevant entity for the purposes of the Isle of Man Attribution Regime for Individuals. Profits are chargeable to Isle of Man Income Tax at the standard rate of 0%.

3 Investments

	30 Sept 2011 GBP	30 Sept 2010 GBP	31 March 2011 GBP
<i>Securities at market value</i>			
Prime Rate Sterling Liquidity Fund	64,164,882	119,911,173	85,379,326
Prime Rate US Dollar Liquidity Fund	33,757,326	46,814,736	51,236,790
Prime Rate Euro Liquidity Fund	28,559,691	24,761,179	26,637,754
	<u>126,481,899</u>	<u>191,487,088</u>	<u>163,253,870</u>
	30 Sept 2011 Number of units	30 Sept 2010 Number of units	31 March 2011 Number of units
Prime Rate Sterling Liquidity Fund	<u>64,164,882</u>	<u>119,911,173</u>	<u>85,379,326</u>
Prime Rate US Dollar Liquidity Fund	<u>52,745,823</u>	<u>73,991,996</u>	<u>82,136,566</u>
Prime Rate Euro Liquidity Fund	<u>32,819,686</u>	<u>28,748,611</u>	<u>30,290,827</u>

The investment objective of the company is to act as a feeder fund into a UK scheme, Prime Rate Cash Management Funds. Units are held on a 1:1 basis (i.e. 1 unit: GBP1, 1 unit: USD1 and 1 unit: EUR1). Each month income is realised by the issue of additional units to the company.

Prime Rate Cash Management Funds (Isle of Man) PLC

Notes to the interim financial statements (continued)

For the period from 1 April 2011 to 30 September 2011

4 Management share capital

	30 Sept 2011 GBP	30 Sept 2010 GBP	31 March 2011 GBP
Issued and fully paid:			
100 management shares of GBP1 each	<u>100</u>	<u>100</u>	<u>100</u>

Management shares bear the right in the event of winding-up or repayment of capital, subject to the prior repayment of the amount paid up on participating shares, to repayment of the amount paid up on management shares, but no other right to participate in the profits or assets of the company.

5 Participating shares

	30 Sept 2011 GBP	30 Sept 2010 GBP	31 March 2011 GBP
Issued and fully paid:			
Participating shares of GBP1 each	63,647,397	119,562,876	84,923,759
Participating shares of USD1 each	33,736,117	46,827,276	51,230,189
Participating shares of EUR1 each	<u>28,318,334</u>	<u>24,533,419</u>	<u>26,397,824</u>
	<u>125,701,848</u>	<u>190,923,571</u>	<u>162,551,772</u>

	30 Sept 2011 Number of shares	30 Sept 2010 Number of shares	31 March 2011 Number of shares
Issued and fully paid:			
Participating shares of GBP1 each	<u>63,647,397</u>	<u>119,562,876</u>	<u>84,923,759</u>
Participating shares of USD1 each	<u>52,712,683</u>	<u>74,011,817</u>	<u>82,125,985</u>
Participating shares of EUR1 each	<u>32,542,328</u>	<u>28,484,174</u>	<u>30,017,994</u>

The company is authorised to issue, without limitation to number, participating redeemable preference shares ("participating shares") with a nominal value of GBP1 for each Sterling fund, USD1 for each US Dollar fund and EUR1 for each Euro fund.

Participating shares bear the right, after repayment of amounts paid up on participating and management shares, to be paid an amount equal to that proportion of the relevant Class Fund's total net assets.

During the period, distributions of GBP394,292 (six months to 30 September 2010: GBP574,943) were made to participating shareholders. These were made at the discretion of the individual shareholders.

6 Reconciliation of movements in management shareholder's funds

	Unaudited 1 April 2011 to 30 Sept 2011 GBP	Unaudited 1 April 2010 to 30 Sept 2010 GBP	Audited 1 April 2010 to 31 March 2011 GBP
Opening management shareholder's funds	100	100	100
Shares issued	-	-	-
Closing management shareholder's funds	<u>100</u>	<u>100</u>	<u>100</u>