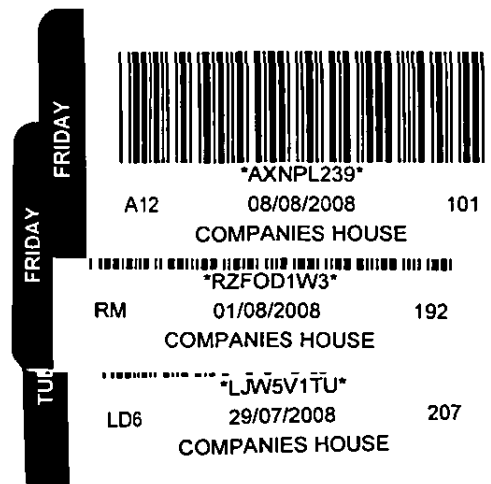


**Report of the Director and
Financial Statements for the Year Ended 31 December 2007
for
360 Group Limited**



The logo for J.P.B. Harris & Co. is a stylized, cursive 'JH' monogram.

**J.P.B. Harris & Co.
Chartered Accountants
Registered Auditors**

Harmile House 54 St Marys Lane Upminster Essex RM14 2QT Tel: 01708 251005 Fax: 01708 251020

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for the Year Ended 31 December 2007**

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**Company Information
for the Year Ended 31 December 2007**

DIRECTOR: B Keegan

SECRETARY: Ms T Carter

REGISTERED OFFICE: 2nd Floor
295 Regent Street
London
W1B 2HL

REGISTERED NUMBER: 3645154 (England and Wales)

AUDITORS: J P B Harris & Co
Chartered Accountants
& Registered Auditors
Harmle House
54 St Mary's Lane
Upminster
Essex
RM14 2QT

**Report of the Director
for the Year Ended 31 December 2007**

The director presents his report with the financial statements of the company and the group for the year ended 31 December 2007

COMMENCEMENT OF TRADING

The company acquired its subsidiary companies on 22 May 2007 and trading commenced thereon

PRINCIPAL ACTIVITY

The principal activity of the group in the year under review was that of the provision of professional employment services, financial services and accountancy and taxation services. The company is a holding company which did not trade during the period under review.

REVIEW OF BUSINESS

The results for the year and financial position of the company and the group are as shown in the annexed financial statements. Profit is up over the previous year due to processing efficiencies and improved systems implementation. Results meet expectation for the period under review and the company is optimistic about the opportunities ahead.

The group's key financial and other performance indicators during the year were as follows

	£000
Turnover	31,296
Profit on ordinary activities before tax	469

In the year under review the company acquired the shares of its subsidiaries, details of which are shown in Note 10 to the accounts.

PRINCIPAL RISKS AND UNCERTAINTIES

As the principal activity of the group is the provision of professional employment services the principle risks and uncertainties revolve around changing employment legislation. 360 Group have a track record for embracing legislative change and maintain open dialogue with the relevant government bodies. This approach has allowed the company to remain compliant with current regulation.

The company runs the risk of non payment by clients. Policies are in place to minimise such losses and the company has increased requirements when scoring its clients for credit terms.

DIVIDENDS

The total distribution of dividends for the year ended 31 December 2007 will be £150,152.

DIRECTOR

B Keegan held office during the whole of the period from 1 January 2007 to the date of this report.

EMPLOYEES

The group places considerable value on the involvement of its employees in the business and has continued its practice of keeping them informed on matters affecting them as employees.

The group is committed to providing equality of opportunity to all employees. Appropriate training, career development and promotion opportunities are provided for all employees regardless of gender, physical disability, religion, belief, race or ethnic origin.

It is the group's policy to give full consideration to suitable applications for employment by disabled persons. Disabled employees are eligible to participate in all career development opportunities available to staff. Opportunities also exist for employees who become disabled to continue in their employment or to be trained for other positions in the group.

The group is committed to involving all employees in the performance and development of the group. Employees are encouraged to discuss with management matters of interest to the employees and subjects affecting day to day operations of the group.

Report of the Director
for the Year Ended 31 December 2007

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The director is responsible for preparing the financial statements in accordance with applicable law and regulations

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing these financial statements, the director is required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and the group and to enable him to ensure that the financial statements comply with the Companies Act 1985. He is also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the director is aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the group's auditors are unaware, and he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

AUDITORS

The auditors, J P B Harris & Co, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD:

Director

Date



16-7-07

**Report of the Independent Auditors to the Members of
360 Group Limited**

We have audited the financial statements of 360 Group Limited for the year ended 31 December 2007 on pages six to eighteen. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' 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 director and auditors

The director's responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out on page three.

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

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

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

We read the Report of the Director and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

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

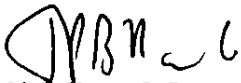
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity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

**Report of the Independent Auditors to the Members of
360 Group Limited**

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the company and the group as at 31 December 2007 and of the profit of the group for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Report of the Director is consistent with the financial statements



J P B Harris & Co
Chartered Accountants
& Registered Auditors
Harmile House
54 St Mary's Lane
Upminster
Essex
RM14 2QT

Date 29 July 2008

360 Group Limited
Previously known as Millcrest Secretaries Limited

Consolidated Profit and Loss Account
for the Year Ended 31 December 2007

	Notes	31.12 07 £	31 12 06 £
TURNOVER		31,296,263	-
Cost of sales		<u>29,876,407</u>	-
GROSS PROFIT		1,419,856	-
Administrative expenses		<u>1,039,042</u>	-
OPERATING PROFIT	3	380,814	-
Interest receivable and similar income		<u>89,637</u>	-
		470,451	-
Interest payable and similar charges	4	<u>1,431</u>	-
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		469,020	-
Tax on profit on ordinary activities	5	<u>114,764</u>	-
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		354,256	-
Minority interest - equity		<u>14,847</u>	-
RETAINED PROFIT FOR THE YEAR FOR THE GROUP		<u>339,409</u>	-

CONTINUING OPERATIONS

None of the group's activities were discontinued during the current year or previous year. The activities of the group commenced with the acquisition of the subsidiaries by the holding company on 22 May 2007.

TOTAL RECOGNISED GAINS AND LOSSES

The group has no recognised gains or losses other than the profit for the current year.

The notes form part of these financial statements

360 Group Limited
Previously known as Millcrest Secretaries Limited

Consolidated Balance Sheet
31 December 2007

	Notes	31.12.07 £	£	31 12 06 £	£
FIXED ASSETS					
Intangible assets – goodwill	8		66,499		-
Intangible assets – goodwill arising on consolidation	8		(615,296)		-
Tangible assets	9		91,564		-
Investments	10		-		-
			(457,233)		-
CURRENT ASSETS					
Debtors amounts falling due within one year	11	1,747,379		-	
Debtors amounts falling due after more than one year	11	936,212		-	
Cash at bank and in hand		3,341,612		2	
		6,025,203		2	
CREDITORS					
Amounts falling due within one year	12	5,308,190		-	
NET CURRENT ASSETS			717,013		2
TOTAL ASSETS LESS CURRENT LIABILITIES			259,780		2
MINORITY INTERESTS	13		70,521		-
NET ASSETS			189,259		2
CAPITAL AND RESERVES					
Called up share capital	14		2		2
Profit and loss account	15		189,257		-
SHAREHOLDERS' FUNDS	16		189,259		2

The financial statements were approved by the director on

16-7-08

and were signed by



B Keegan - Director

The notes form part of these financial statements

Company Balance Sheet
31 December 2007

	Notes	31.12.07 £	£	31 12 06 £	£
FIXED ASSETS					
Intangible assets	8		-		-
Tangible assets	9		-		-
Investments	10		<u>100</u>		<u>-</u>
			100		-
CURRENT ASSETS					
Debtors	11	249,975		-	
Cash in hand		<u>2</u>		<u>2</u>	
		249,977		2	
CREDITORS					
Amounts falling due within one year	12	<u>150,227</u>		<u>-</u>	
NET CURRENT ASSETS			<u>99,750</u>		<u>2</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u><u>99,850</u></u>		<u><u>2</u></u>
CAPITAL AND RESERVES					
Called up share capital	14		<u>2</u>		<u>2</u>
Profit and loss account	15		<u>99,848</u>		<u>-</u>
SHAREHOLDERS' FUNDS	16		<u><u>99,850</u></u>		<u><u>2</u></u>

The financial statements were approved by the director on

16-7-07

.. and were signed by



B Keegan - Director

360 Group Limited
Previously known as Millcrest Secretaries Limited

Cash Flow Statement
for the Year Ended 31 December 2007

	Notes	31.12.07 £	31 12 06 £
Net cash inflow from operating activities	1	1,343,749	-
Returns on investments and servicing of finance	2	88,206	-
Taxation		(16,703)	-
Equity dividends paid		<u>(150,152)</u>	-
		1,265,100	-
Financing	2	<u>95,471</u>	-
Increase in cash in the period		<u>1,360,571</u>	-
<hr/>			
Reconciliation of net cash flow to movement in net funds	3		
Increase in cash in the period		<u>1,360,571</u>	-
Change in net funds resulting from cash flows		<u>1,360,571</u>	-
Movement in net funds in the period		1,360,571	-
Net funds at 1 January		<u>1,981,041</u>	2
Net funds at 31 December		<u>3,341,612</u>	2

The notes form part of these financial statements

**Notes to the Cash Flow Statement
for the Year Ended 31 December 2007**

1 RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	31.12.07	31 12 06
	£	£
Operating profit	380,814	-
Depreciation charges	36,612	-
Amortisation of negative goodwill arising on consolidation	(153,823)	-
(Increase)/Decrease in debtors	358,124	-
Increase/(Decrease) in creditors	722,022	-
Net cash inflow from operating activities	<u>1,343,749</u>	<u>-</u>

2 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	31.12.07	31 12 06
	£	£
Returns on investments and servicing of finance		
Interest received	89,637	-
Interest paid	(1,431)	-
Net cash inflow for returns on investments and servicing of finance	<u>88,206</u>	<u>-</u>
 Financing		
Amount introduced by directors	95,471	-
Net cash inflow from financing	<u>95,471</u>	<u>-</u>

3 ANALYSIS OF CHANGES IN NET FUNDS

	On acquisition	Cash flow	At
	£	£	31 12 07
			£
Net cash			
Cash at bank and in hand	<u>1,981,041</u>	<u>1,360,571</u>	<u>3,341,612</u>
 Total	<u>1,981,041</u>	<u>1,360,571</u>	<u>3,341,612</u>

**Notes to the Financial Statements
for the Year Ended 31 December 2007**

1 ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax

Goodwill

Goodwill, being the amount paid in connection with the acquisition of a business in 2004, is being amortised evenly over its estimated useful life of ten years

Goodwill arising on consolidation

Goodwill, being the excess of the fair value of assets acquired in subsidiary companies and the sum paid, is being amortised evenly over its useful life of three years

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life

Computer equipment - 33% on cost

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result

Pension costs and other post-retirement benefits

Contributions payable to the group's defined contribution pension scheme are charged to the profit and loss account in the period to which they relate

2 STAFF COSTS

	31.12.07 £	31 12 06 £
Wages and salaries	16,002,958	-
Social security costs	2,149,808	-
Other pension costs	334,210	-
	<u>18,486,976</u>	<u>-</u>

The average monthly number of employees during the year was as follows

	31.12.07	31 12 06
Employees under contract	1,021	-
Accountancy taxation and payroll	13	-
Sales and administration	6	-
	<u>1,040</u>	<u>-</u>

Total

Notes to the Financial Statements - continued
for the Year Ended 31 December 2007

3 OPERATING PROFIT

The operating profit is stated after charging/(crediting)

	31.12.07	31 12 06
	£	£
Hire of plant and machinery	2,590	-
Other operating leases	39,468	-
Depreciation - owned assets	30,806	-
Goodwill amortisation	5,806	-
Amortisation of Negative goodwill arising on consolidation	(153,823)	-
Auditors' remuneration	<u>15,032</u>	<u>-</u>
Director's emoluments	<u>-</u>	<u>-</u>

4 INTEREST PAYABLE AND SIMILAR CHARGES

	31.12.07	31 12 06
	£	£
Bank interest	99	-
Interest on overdue tax	<u>1,332</u>	<u>-</u>
	<u>1,431</u>	<u>-</u>

5 TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows

	31.12 07	31 12 06
	£	£
Current tax		
UK corporation tax	113,891	-
Deferred tax	<u>873</u>	<u>-</u>
Tax on profit on ordinary activities	<u>114,764</u>	<u>-</u>

6 PROFIT OF PARENT COMPANY

As permitted by Section 230 of the Companies Act 1985, the profit and loss account of the parent company is not presented as part of these financial statements. The parent company's profit for the financial year was £250,000 (2006 - £0)

7 DIVIDENDS

	31.12.07	31 12 06
	£	£
Interim	<u>150,152</u>	<u>-</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2007

8 INTANGIBLE FIXED ASSETS

Group

	Goodwill £	Goodwill arising on consolidation £	Totals £
COST			
On acquisition of subsidiaries	95,000	-	95,000
Additions	-	(769,119)	(769,119)
At 31 December 2007	<u>95,000</u>	<u>(769,119)</u>	<u>(674,119)</u>
AMORTISATION			
On acquisition of subsidiaries	22,695	-	22,695
Amortisation for year	<u>5,806</u>	<u>(153,823)</u>	<u>(148,017)</u>
At 31 December 2007	<u>28,501</u>	<u>(153,823)</u>	<u>(125,322)</u>
NET BOOK VALUE			
At 31 December 2007	<u>66,499</u>	<u>(615,296)</u>	<u>(548,797)</u>

During the year under review the company acquired four subsidiaries for £100 and the negative goodwill arises on the excess of the fair value of the assets acquired over the sum paid

9 TANGIBLE FIXED ASSETS

Group

	Computer equipment £
COST	
On acquisition of subsidiaries and 31 December 2007	<u>461,383</u>
DEPRECIATION	
On acquisition of subsidiaries	339,013
Charge for year	<u>30,806</u>
At 31 December 2007	<u>369,819</u>
NET BOOK VALUE	
At 31 December 2007	<u>91,564</u>

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2007**

10 FIXED ASSET INVESTMENTS**Company**

**Shares in
group
undertakings
£**

COST

Additions

100

At 31 December 2007

100**NET BOOK VALUE**

At 31 December 2007

100

The group or the company's investments at the balance sheet date in the share capital of companies include the following

Subsidiaries**Hyperlink Services Limited**

Nature of business Professional employment services

	%	
Class of shares	holding	
Ordinary	93 00	

31.12.07

£

Aggregate capital and reserves

529,483

Profit for the year

47,563**360 Financial Limited**

Nature of business Financial services

	%	
Class of shares	holding	
Ordinary	93 00	

31.12.07

£

Aggregate capital and reserves

20,100

Profit for the year

113,158**3sixty Group Holdings Limited**

Nature of business Accountancy and taxation service and group admin

	%	
Class of shares	holding	
Ordinary	93 00	

31.12.07

£

Aggregate capital and reserves

180,923

Profit for the year

87,213

Notes to the Financial Statements - continued
for the Year Ended 31 December 2007

10 FIXED ASSET INVESTMENTS - continued

Weblogix Limited

Nature of business Professional employment services

Class of shares	% holding	
Ordinary	93.00	
		31.12.07
		£
Aggregate capital and reserves		44,791
Profit for the year		<u>25,793</u>

11 DEBTORS

	Group		Company	
	31.12.07	31.12.06	31.12.07	31.12.06
	£	£	£	£
Amounts falling due within one year				
Trade debtors	1,387,006	-	-	-
Amounts owed by group undertakings	-	-	249,975	-
Other debtors	331,023	-	-	-
Taxation recoverable	17,188	-	-	-
Deferred tax asset	3,160	-	-	-
Prepayments and accrued income	9,002	-	-	-
	<u>1,747,379</u>	<u>-</u>	<u>249,975</u>	<u>-</u>
Amounts falling due after more than one year				
Other debtors	936,212	-	-	-
	<u>936,212</u>	<u>-</u>	<u>-</u>	<u>-</u>
Aggregate amounts	<u>2,683,591</u>	<u>-</u>	<u>249,975</u>	<u>-</u>
Deferred tax asset				
	31.12.07	31.12.06	31.12.07	31.12.06
	£	£	£	£
Deferred tax	<u>3,160</u>	<u>-</u>	<u>-</u>	<u>-</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2007

12 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	31 12 07	31 12 06	31.12.07	31 12 06
	£	£	£	£
Trade creditors	1,933,435	-	-	-
Amounts owed to group undertakings	-	-	150,227	-
Tax	180,135	-	-	-
Social security and other taxes	1,107,134	-	-	-
VAT	1,538,451	-	-	-
Other creditors	112,217	-	-	-
Accruals and deferred income	436,818	-	-	-
	<u>5,308,190</u>	<u>-</u>	<u>150,227</u>	<u>-</u>

13 MINORITY INTERESTS

The interest held by third parties in the profits and assets of the group

14 CALLED UP SHARE CAPITAL

Authorised Number	Class	Nominal value	31.12.07 £	31 12 06 £
1,000	Ordinary	£1	<u>1,000</u>	<u>1,000</u>

Allotted, issued and fully paid Number	Class	Nominal value	31.12.07 £	31 12 06 £
2	Ordinary	£1	<u>2</u>	<u>2</u>

15 RESERVES

Group		Profit and loss account £
Profit for the year		339,409
Dividends		<u>(150,152)</u>
At 31 December 2007		<u>189,257</u>
Company		Profit and loss account £
Profit for the year		250,000
Dividends		<u>(150,152)</u>
At 31 December 2007		<u>99,848</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2007

16 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**Group**

	31.12.07	31 12 06
	£	£
Profit for the financial year	339,409	-
Dividends	(150,152)	-
Net addition to shareholders' funds	189,257	-
Opening shareholders' funds	<u>2</u>	<u>2</u>
Closing shareholders' funds	<u>189,259</u>	<u>2</u>

Company

	31.12.07	31 12 06
	£	£
Profit for the financial year	250,000	-
Dividends	(150,152)	-
Net addition to shareholders' funds	99,848	-
Opening shareholders' funds	<u>2</u>	<u>2</u>
Closing shareholders' funds	<u>99,850</u>	<u>2</u>

17 RELATED PARTY TRANSACTIONS

During the period under review the company acquired its subsidiaries from a company under the control of B Keegan this company's director and controlling party

18 CONTROLLING PARTY

The company and group's ultimate controlling party is B Keegan by virtue of his ownership of 100% of the issued share capital of the parent company

19 BUSINESS COMBINATIONS

On 22 May the company acquired a 93% stake in four companies for a total cash consideration of £25 each
The companies were -

Hyperlink Services Limited - professional employment services

Weblogix Limited - professional employment services

360 Financial Limited - financial services

3sixty Group Holdings Limited - accountancy and taxation services and group administrative support

A summary of the transactions is detailed below

	Book value	Fair value
Tangible fixed assets	122,370	122,370
Intangible fixed assets	72,305	72,305
Debtors	3,220,121	3,120,121
Cash at bank and in hand	1,981,041	1,981,041
Creditors	(4,744,207)	(4,530,651)
Deferred taxation	<u>4,033</u>	<u>4,033</u>
	<u>655,563</u>	769,219
Negative goodwill recognised		<u>769,119</u>
Consideration		<u>100</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2007

20 OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid within one year

	Land and buildings	
	31.12.07	31 12 06
	£	£
Expiring		
Within one year	<u>65,180</u>	<u>-</u>

13 TRANSACTIONS WITH DIRECTOR

The following loan to directors subsisted during the years ended 31 December 2007

	31 12 07	31 12 06
	£	£
B Keegan		
Balance outstanding on acquisition of subsidiaries	95,471	-
Balance outstanding at end of year	-	-
Maximum balance outstanding during year	<u>150,152</u>	<u>-</u>