

**EF INVESTMENTS**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31 DECEMBER 2007**

Registered Number 4788212

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## **EF INVESTMENTS**

### **DIRECTORS' REPORT**

#### **YEAR ENDED 31 DECEMBER 2007**

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The directors present their report together with the audited financial statements of the company for the year ended 31 December 2007

#### **ACTIVITIES**

E F Investments has continued to hold its venture capital investment. This is an early stage venture investment on which the directors expect to make returns in the longer term.

#### **DIRECTORS**

The following served as directors during the year ended 31 December 2007 -

J M Hardie  
J S Fairbairn  
R D Kent  
T Chandos

#### **DIRECTORS' INTERESTS**

None of the directors have any beneficial interest in the shares of the company or the company's parent, the Esmée Fairbairn Foundation.

#### **DIRECTORS RESPONSIBILITIES**

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that year. In preparing those financial statements, the directors are required to,

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK 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 directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **Disclosure of information to auditors**

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

**Auditors**

In accordance with Section 384 of the Companies Act 1985, a resolution for the re-appointment of KPMG LLP as auditors of the Company is to be proposed at the forthcoming Board Meeting

**SIGNED ON BEHALF OF THE BOARD**

**T. Chandos**

Director

A handwritten signature in black ink, appearing to read 'T. Chandos', written in a cursive style.

20 March 2008

11 Park Place  
London SW1A 1LP

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

### EF INVESTMENTS

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We have audited the financial statements of EF Investments Limited for the year ended 31 December 2007 which comprise the Balance Sheet and the related notes. These financial statements have been prepared under the historical cost convention and 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit.

#### Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 and whether the information given in the Directors' Report is consistent with the financial statements. We also 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 directors' remuneration and other transactions is not disclosed.

We read the Directors' Report 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 directors 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.

#### 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 the company's affairs as at 31 December 2007,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the directors' report is consistent with the financial statements.

KPMG WP

KPMG LLP  
Registered Auditor  
Chartered Accountants

1 Forest Gate  
Brighton Road  
Crawley  
RH11 9PT

20 March 2008

**EF INVESTMENTS  
BALANCE SHEET  
AS AT 31 DECEMBER 2007**

	Note	2007 £	2006 £
<b>FIXED ASSETS</b>			
Investments	4	10,603,981	10,150,023
<b>CURRENT ASSETS</b>			
Debtors		3	3
<b>CURRENT LIABILITIES</b>			
Creditors amounts falling due within one year	5	(400,028)	(150,026)
<b>NET CURRENT LIABILITIES</b>		<u>(400,025)</u>	<u>(150,023)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>10,203,956</u>	<u>10,000,000</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	6	10,000,000	10,000,000
Revaluation Reserve	7	203,956	-
<b>TOTAL CAPITAL AND RESERVES</b>		<u>10,203,956</u>	<u>10,000,000</u>

During the financial year the Company received no income and incurred no expenditure. Consequently during the year the Company made neither a profit nor a loss. The Company had no other recognised gains or losses.

Signed on behalf of the board of directors on 20 March 2008

T. Chandos  
Director



The notes on page 5 and 6 form part of these financial statements

**EF INVESTMENTS**  
**NOTES TO THE FINANCIAL STATEMENTS**

**1 ACCOUNTING POLICIES**

**Basis of preparation**

These financial statements have been prepared in accordance with the Companies Act 1985, applicable accounting standards and applicable statements of recommended practice. The particular accounting policies are described below. Under FRS 1, the Company is exempt from the requirement to prepare a cash flow statement on the grounds of its size.

**a) CONVENTION**

These financial statements are prepared in accordance with historical cost convention.

**b) INVESTMENTS**

Investments are stated at cost, or market value if listed on a recognised stock exchange.

**c) GOING CONCERN**

The financial statements are prepared on a going concern basis. Which the directors believe to be appropriate for the following reason. The Directors consider this long-term venture capital investment to be successful.

**2 DIRECTORS REMUNERATION**

The aggregate emoluments of persons who were Directors of the Company during the year ended 31 December 2007, including pension contributions, were £nil (2006 £nil).

**3. ADMINISTRATIVE EXPENSES**

The Company has no full time employees. The staff involved in the Company's operations are all employees of Esmee Fairbairn Foundation. The total staff costs have been borne by Esmee Fairbairn Foundation without recharge, no staff costs have therefore been included in these financial statements (2006 £nil).

Auditors remuneration:	2007	2006
	£	£
Audit of these financial statements	1,500	500

Auditor's remuneration for services to the company has been borne by Esmee Fairbairn Foundation.

**4. INVESTMENTS** **£**

Quoted investments	
At 1 January 2007	-
Additions	-
Unrealised gain on investments	203,956
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At 31 December 2007	203,956
 Unquoted investments at cost	
At 1 January 2007	10,150,023
Additions	250,002
Unrealised gain on investments	-
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At 31 December 2007	10,400,025
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Total quoted and unquoted investment	10,603,981
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The company has also received shares in three spin off companies at nil cost

**YEAR ENDED 31 DECEMBER 2007**

	2007 £	2006 £
<b>5 CREDITORS amounts falling due within one year</b>		
Amounts due to parent undertaking	<u>400,028</u>	<u>150,026</u>

	2007 £	2006 £
<b>6. EQUITY CALLED UP SHARE CAPITAL</b>		
Authorised – 10,000,000 ordinary shares of £1 each	<u>10,000,000</u>	<u>10,000,000</u>
Issued and fully paid – 10,000,000 ordinary shares of £1 each	<u>10,000,000</u>	<u>10,000,000</u>

	2007 £	2006 £
<b>7. REVALUATION RESERVE</b>		
Unrealised gains on listed stocks	<u>203,956</u>	<u>-</u>
	<u>203,956</u>	<u>-</u>

**8 PARENT UNDERTAKING**

The company is a wholly owned subsidiary of Esmée Fairbairn Foundation, a charitable trust and charity registered by the Charity Commission of England and Wales. Copies of the charity accounts are available to the general public from the Esmée Fairbairn Foundation, 11 Park Place, London, SW1A 1LP