

EF INVESTMENTS
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2008

Registered Number: 4788212

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**EF INVESTMENTS
DIRECTORS' REPORT
YEAR ENDED 31 DECEMBER 2008**

The directors present their report together with the audited financial statements of the Company for the year ended 31 December 2008.

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.

RESULTS AND DIVIDENDS

The Company's loss for the financial year is £60,565 (2007: £nil). No dividend was declared during the year under review (2007: £nil).

DIRECTORS

The following served as directors during the year ended 31 December 2008:-

J.M. Hardie	(Resigned 20 November 2008)
J.S. Fairbairn	(Resigned 20 November 2008)
R.D. Kent	(Resigned 31 March 2008)
T. Chandos	
D. Austwick	(Appointed 20 November 2008)
J. Hughes - Hallett	(Appointed 20 November 2008)

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 confirm that they have complied with the above requirements in preparing the financial statements.

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.

EF INVESTMENTS
DIRECTORS' REPORT (Continued)
YEAR ENDED 31 DECEMBER 2008

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.

SIGNED ON BEHALF OF THE BOARD

T. Chandos
Director



26 March 2009

90 York Way
London N1 9AG

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EF INVESTMENTS

We have audited the financial statements of EF Investments for the year ended 31 December 2008 which comprise the Income Statement, 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 2008;
- 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 LLP

**KPMG LLP
Registered Auditor
Chartered Accountants**

**1 Forest Gate
Brighton Road
Crawley
RH11 9PT**

26 March 2009

EF INVESTMENTS
INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2008

	Note	2008 £	2007 £
Administrative Expenses	3	(21,654)	-
OPERATING LOSS		<u>(21,654)</u>	<u>-</u>
Finance Cost		(38,911)	-
LOSS FOR THE YEAR		<u><u>(60,565)</u></u>	<u><u>-</u></u>

**EF INVESTMENTS
BALANCE SHEET
AS AT 31 DECEMBER 2008**

	Note	2008 £	2007 £
FIXED ASSETS			
Investments	4	10,594,967	10,603,981
CURRENT ASSETS			
Cash and cash equivalents		41,204	5
CREDITORS: amounts falling due within one year		(1,783)	-
NET CURRENT LIABILITIES		39,421	5
CREDITORS: amounts falling due after one year	5	(557,283)	(400,030)
NET ASSETS		<u>10,077,105</u>	<u>10,203,956</u>
CAPITAL AND RESERVES			
Called up share capital	6	10,000,000	10,000,000
Revaluation Reserve	7	137,670	203,956
Retained earning		(60,565)	-
TOTAL CAPITAL AND RESERVES		<u>10,077,105</u>	<u>10,203,956</u>

Signed on behalf of the board of directors on 26 March 2009.



T. Chandos
Director

The notes on page 6 and 7 form part of these financial statements.

EF INVESTMENTS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2008

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 that in the long-term this venture capital investment will be successful.

2. DIRECTORS REMUNERATION

The aggregate emoluments of persons who were Directors of the Company during the year ended 31 December 2008, including pension contributions, were £nil (2007:£nil).

3. ADMINISTRATIVE EXPENSES

The Company has no full time employees. The staff involved in the Company's operations are all employees of The Trustees of Esmée Fairbairn Foundation. A cost sharing agreement for head office services was entered into with The Trustees of Esmée Fairbairn Foundation on 8 December 2008. Head office services for the year based on the estimated number of staff hours spent on work relating to EF Investments were £11,644 (2007: £nil). Included in total administrative expenses is £223.66 (2007: £nil) for time spend by a director of the Company who is also an employee of The Trustees of Esmée Fairbairn Foundation.

Auditors remuneration:	2008	2007
	£	£
Audit of these financial statements	1,783	1,763

4. INVESTMENTS

	2008	2007
	£	£
Quoted investments		
At 1 January	203,956	-
Unrealised gain / (loss) on investments	(66,286)	203,956
At 31 December	137,670	203,956
Unquoted investments at cost		
At 1 January	10,400,025	10,150,023
Additions	57,272	250,002
Unrealised gain on investments	-	-
At 31 December	10,457,297	10,400,025
Total quoted and unquoted investment	10,594,967	10,603,981

EF INVESTMENTS
NOTES TO THE FINANCIAL STATEMENTS (Continued)
YEAR ENDED 31 DECEMBER 2008

	2008 £	2007 £
5. CREDITORS: amounts falling due after one year		
Amounts due to parent undertaking	557,283	400,030

Under terms of the loan agreement between The Trustees of Esmée Fairbairn Foundation and EF Investments a loan facility of £2 million is available to the Company. Each Advance accrues interest at the Bank of England base rate plus 1.75% from the date on which such Advance is made. Each Advance is repayable by the Company at any time or if not already paid, on 28 February 2019.

	2008 £	2007 £
6. EQUITY CALLED UP SHARE CAPITAL		
Authorised – 10,000,000 ordinary shares of £1 each	10,000,000	10,000,000
Issued and fully paid – 10,000,000 ordinary shares of £1 each	10,000,000	10,000,000

	2008 £	2007 £
7. REVALUATION RESERVE		
Unrealised gains on listed stocks	137,670	203,956

8. PARENT UNDERTAKING

The Company is a wholly owned subsidiary of The Trustees of Esmée Fairbairn Foundation, a charitable trust and charity registered by the Charity Commission of England and Wales. Copies of the Foundation's accounts are available to the general public from the Esmée Fairbairn Foundation, 90 York Way, London, N1 9AG.