Company Registration No. 5332261 (England and Wales)

THE HPOWER GROUP LIMITED

DIRECTORS' REPORT AND UNAUDITED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 JANUARY 2006

THE HPOWER GROUP LIMITED

COMPANY INFORMATION

Directors	C M Brooks	(Appointed 14 June 2005)
	S H Brooks-Ward	(Appointed 14 June 2005)
Secretary	Speafi Limited	
Company number	5332261	
Registered office	The Old Coroners Court No 1 London Street Reading Berkshire RG1 4QW	
Accountants	Saffery Champness Lion House Red Lion Street London WC1R 4GB	

THE HPOWER GROUP LIMITED

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THE HPOWER GROUP LIMITED

DIRECTORS' REPORT
FOR THE PERIOD ENDED 31 JANUARY 2006

The directors present their report and financial statements for the period ended 31 January 2006.

Principal activities
The principal activity of the company is that of a holding company.

The company was incorporated on 13 January 2005.

On 10 June 2005 the company passed a special resolution to change its name to The HPower Group Limited, formerly Fieldsec 317 Limited.

On 19 September 2005 the company issued 183,955 ordinary shares of £1 each. The shares were issued in exchange for shares in Horsepower International Limited, Momentum Worldwide Limited and WEP Worldwide Limited. On completion of the issue, The HPower Group Limited controlled 100% of Horsepower International Limited and WEP Worldwide Limited and 75% of Momentum Limited.

Directors
The following directors have held office since 13 January 2005:

C M Brooks	(Appointed 14 June 2005)
S H Brooks-Ward	(Appointed 14 June 2005)
Speafi Limited	(Resigned 14 June 2005)

Directors' interests
The directors' beneficial interests in the shares of the company were as stated below:

	Ordinary shares of £ 1 each	
	31 January 2006	**13 January 2005**
C M Brooks	-	-
S H Brooks-Ward	103,125	-

On 14 June 2005 SH Brooks-Ward and Cadugan Developments Limited each held 1 ordinary £1 share in the company.

CM Brooks is a director and shareholder in Cadugan Developments Limited. At 31 January 2006 Cadugan Developments Limited held 80,832 ordinary shares of £1 each in the company.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

On behalf of the board

.....
S H Brooks-Ward
Director
.....

THE HPOWER GROUP LIMITED

ACCOUNTANTS' REPORT TO THE BOARD OF DIRECTORS ON THE UNAUDITED FINANCIAL STATEMENTS OF THE HPOWER GROUP LIMITED

In accordance with the current engagement letter, and in order to assist you to fulfil your duties under the Companies Act 1985, we have compiled the financial statements of the company on pages 3 to 7 from the accounting records and information and explanations you have given to us.

This report is made to the company's Board of Directors, as a body, in accordance with the terms of our engagement. Our work has been undertaken so that we might compile the financial statements that we have been engaged to compile, report to the company's Board of Directors that we have done so, and state those matters that we have agreed to state to them in this 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 Board of Directors, as a body, for our work or for this report.

We have carried out this engagement in accordance with technical guidance issued by the Institute of Chartered Accountants in England and Wales and have complied with the ethical guidance laid down by the Institute relating to members undertaking the compilation of financial statements.

You have acknowledged on the balance sheet as at 31 December 2005 your duty to ensure that the company has kept proper accounting records and to prepare financial statements that give a true and fair view under the Companies Act 1985. You consider that the company is exempt from the statutory requirement for an audit for the period.

We have not been instructed to carry out an audit of the financial statements. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the financial statements.

Saffery Champness

26 October 2006

Chartered Accountants

Lion House
Red Lion Street
London
WC1R 4GB

THE HPOWER GROUP LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED 31 JANUARY 2006

	Notes	Period ended 31 January 2006 £
Loss on ordinary activities before taxation		-
Tax on loss on ordinary activities	2	-
Loss on ordinary activities after taxation		-

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

The notes on pages 5 to 7 form part of these financial statements.

THE HPOWER GROUP LIMITED

BALANCE SHEET
AS AT 31 JANUARY 2006

	Notes	2006 £	£
Fixed assets			
Investments	3		183,955
Current assets			
Debtors	4	2	
Net current assets			2
Total assets less current liabilities			183,957
Capital and reserves			
Called up share capital	5		183,957
Shareholders' funds - equity interests	6		183,957

In preparing these financial statements:

(a) The directors are of the opinion that the company is entitled to the exemption from audit conferred by Section 249A(1) of the Companies Act 1985;

(b) No notice has been deposited under Section 249B(2) of the Companies Act 1985, and

(c) The directors acknowledge their responsibilities for:

(i) ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985, and

(ii) preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial period and of its profit or loss for the financial period in accordance with the requirements of Section 226, and which otherwise comply with the requirements of this Act relating to accounts, so far as applicable to the company.

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The notes on pages 5 to 7 form part of these financial statements.

The financial statements were approved by the board on 26 OCT 2006

S H Brooks-Ward
Director

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

2 Taxation

	2006
Current tax charge	-
Factors affecting the tax charge for the period	
Loss on ordinary activities before taxation	-
Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 0.00% (2004: 0.00%)	-
Effects of:	
Current tax charge	-

3 Fixed asset investments

	Shares in group undertakings and participating interests £
Cost	
At 13 January 2005	-
Additions	183,955
At 31 January 2006	183,955

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Shares held Class	%
Subsidiary undertakings			
Horsepower International Ltd	England & Wales	Ordinary	100
Windsor Equestrian Promotions Worldwide Ltd	England & Wales	Ordinary	100
Momentum Ltd	England & Wales	Ordinary	75

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

	Capital and reserves 2005 £	Profit for the year 2005 £
Horsepower International Ltd	155,740	82,346
Windsor Equestrian Promotions Worldwide Ltd	121,047	-
Momentum Ltd	70,615	653

4 Debtors

	2006 £
Other debtors	2

5 Share capital

	2006 £
Authorised	
200,000 Ordinary shares of £1 each	200,000
Allotted, called up and fully paid	
183,957 Ordinary shares of £1 each	183,957

On 19 September 2005 the authorised share capital of the company was increased from £1,000 to £200,000 by the creation of an additional 199,000 ordinary shares of £1.00 each ranking pari passu in all respects with the existing shares in the capital of the company.

Two ordinary shares of £1 each were issued on incorporation and on 19 September 2005 the company issued an additional 183,955 ordinary shares of £1 each.

6 Reconciliation of movements in shareholders' funds

	2006 £
Loss for the financial period	-
Proceeds from issue of shares	183,957
Net addition to shareholders' funds	183,957
Opening shareholders' funds	-
Closing shareholders' funds	183,957