

Equity for Growth (Securities) Limited

Company Registration No. 05410446 (England And Wales)

Directors' Report And Financial Statements

For the year ended 31 January 2008



Equity for Growth (Securities) Limited

Company Information

Directors

J M Baldwin
T E Baldwin
M W M Parsey

Secretary

M W M Parsey

Registered Office

17 Hill Street
Mayfair
London
W1J 5LJ

Bankers

Lloyds TSB Bank plc
36 Chequer Street
St Albans
Hertfordshire
AL1 3YQ

Auditors

Kingston Smith LLP
Devonshire House
60 Goswell Road
London
EC1M 7AD

Equity for Growth (Securities) Limited

Contents

	Page
Directors' report	1 - 2
Independent auditors' report	3 - 4
Profit and loss account	5
Balance sheet	6
Notes to the financial statements	7 - 11

Equity for Growth (Securities) Limited

Directors' Report For the year ended 31 January 2008

The directors present their report and financial statements for the year ended 31 January 2008.

Principal activities

The principal activity of the company throughout the year was that of corporate finance advice.

The company is authorised and regulated by the Financial Services Authority as an appointed representative of Independent Financial Group Limited (registration number : 222973).

Directors

The following directors have held office since 1 February 2007:

J M Baldwin

T E Baldwin

M W M Parsey

S J Whitson

(Resigned 1 December 2007)

Charitable donations

2008

2007

£

£

During the year the company made the following payments:

Charitable donations

-

1,540

Auditors

Kingston Smith LLP were appointed auditors to the company and in accordance with section 385 of the Companies Act 1985, a resolution proposing that they be re-appointed will be put to the Annual General Meeting.

Equity for Growth (Securities) Limited

Directors' Report (continued) For the year ended 31 January 2008

Directors' responsibilities

The directors are responsible for preparing the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have 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 of the profit or loss of the company for that period. 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;
- 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 that disclose with reasonable accuracy at any time the financial position of the company and 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.

Statement of disclosure to auditor

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

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

.....
T E Baldwin
Director
23/12/08



Equity for Growth (Securities) Limited

Independent Auditors' Report To the shareholders of Equity for Growth (Securities) Limited

We have audited the financial statements of Equity for Growth (Securities) Limited for the year ended 31 January 2008 set out on pages 5 to 11. These financial statements have been prepared in accordance with the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective January 2007).

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 the directors and auditors

As described in the Statement of Directors' Responsibilities on page 2 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 in our opinion 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.

Equity for Growth (Securities) Limited

Independent Auditors' Report (continued) To the shareholders of Equity for Growth (Securities) Limited

Opinion

In our opinion:

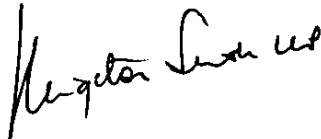
- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the company's affairs as at 31 January 2008 and of its loss for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the directors' report is consistent with the financial statements.

Emphasis of matter

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosure made in note 1.1 to the financial statements concerning the company's ability to continue as a going concern. The company incurred a net loss of £632,013 during the year ended 31 January 2008 and, at that date, the company's current liabilities exceeded its total assets by £200,366. These conditions, along with the other matters explained in note 1.1 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

Kingston Smith LLP

Chartered Accountants
Registered Auditors



23/12/08

Devonshire House
60 Goswell Road
London
EC1M 7AD

Equity for Growth (Securities) Limited

Profit And Loss Account For the year ended 31 January 2008

		2008	2007
	Notes	£	£
Turnover		509,472	356,893
Administrative expenses		(1,000,564)	(726,834)
Operating loss	2	(491,092)	(369,941)
Other interest receivable and similar income	3	775	-
Amounts written off investments	4	(139,487)	-
Interest payable and similar charges		(2,209)	(4,587)
Loss on ordinary activities before taxation		(632,013)	(374,528)
Tax on loss on ordinary activities	5	-	-
Loss for the year	12	(632,013)	(374,528)

Equity for Growth (Securities) Limited

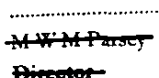
Balance Sheet As at 31 January 2008

	Notes	2008 £	£	2007 £	£
Fixed assets					
Tangible assets	6		38,689		15,004
Investments	7		63,910		174,725
			<u>102,599</u>		<u>189,729</u>
Current assets					
Debtors	8	171,072		147,127	
Cash at bank and in hand		12,165		99,372	
		<u>183,237</u>		<u>246,499</u>	
Creditors: amounts falling due within one year	9	(223,091)		(58,983)	
Net current (liabilities)/assets			<u>(39,854)</u>		<u>187,516</u>
Total assets less current liabilities			62,745		377,245
Creditors: amounts falling due after more than one year	10		(263,111)		(245,598)
			<u>(200,366)</u>		<u>131,647</u>
Capital and reserves					
Called up share capital	11		1,430		1,382
Share premium account	12		1,015,409		715,457
Profit and loss account	12		(1,217,205)		(585,192)
Shareholders' funds			<u>(200,366)</u>		<u>131,647</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective January 2007).

Approved by the Board for issue on 24.12.08


T E Baldwin
Director


~~M W M Parsey~~
~~Director~~

Equity for Growth (Securities) Limited

Notes To The Financial Statements For the year ended 31 January 2008

1 Accounting policies

1.1 Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007).

The company has accumulated start up losses in its first two periods of trade. The market conditions in the financial services sector are such that the current expectations for the business are much reduced. The company is currently advising on a corporate finance deal that is in advanced stages and will result in the company receiving a level of commission on completion that will enable it to meet its debts as they fall due and provide sufficient working capital for the foreseeable future. The company will also receive an interest in a company on this deal which it could sell in the market in due course should it require additional working capital. In addition, the directors have received written assurances from the parent company, Equity for Growth Limited, that the existing loan made to the company will not be due for repayment until the company's overall financial position allows so as not to jeopardise the company's going concern status nor to prejudice the interests of the creditors. Based on these assumptions the directors believe that the company will be able to meet its debts for the foreseeable future and consider that it is appropriate to prepare the financial statements on a going concern basis.

1.2 Turnover

Turnover represents amounts receivable for services provided during the period.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Computer equipment	- 3 years straight line
Fixtures, fittings & equipment	- 3 years straight line
Motor vehicles	- 4 years straight line

1.4 Investments

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

1.5 Deferred taxation

In accordance with FRS 19, deferred tax is recognised as a liability or asset if transactions or events that give the company the obligation to pay more tax in future or a right to pay less tax in future have occurred by the balance sheet date.

2 Operating loss

	2008	2007
	£	£
Operating loss is stated after charging:		
Depreciation of tangible assets	13,701	5,767
Auditors' remuneration	5,900	5,000
Directors' emoluments	146,875	153,283

Equity for Growth (Securities) Limited

Notes To The Financial Statements (continued) For the year ended 31 January 2008

3 Investment income	2008	2007
	£	£
Bank interest	775	-
	<u>775</u>	<u>-</u>

4 Amounts written off investments	2008	2007
	£	£
Amounts written off fixed asset investments:		
- temporary diminution in value	139,487	-
	<u>139,487</u>	<u>-</u>

5 Taxation

The company has estimated losses of £ 988,000 (2007 - £ 504,000) available for carry forward against future trading profits.

On the basis of these financial statements no provision has been made for corporation tax.

6 Tangible fixed assets

	Plant and machinery etc
	£
Cost	
At 1 February 2007	23,242
Additions	37,386
	<u>60,628</u>
At 31 January 2008	
Depreciation	
At 1 February 2007	8,238
Charge for the year	13,701
	<u>21,939</u>
At 31 January 2008	
Net book value	
At 31 January 2008	38,689
	<u>15,004</u>
At 31 January 2007	

The net book value of tangible fixed assets includes £25,637 (2007 - £-) in respect of assets held under finance leases or hire purchase contracts. The depreciation charge in respect of such assets amounted to £3,662 (2007 - £-) for the year.

Equity for Growth (Securities) Limited

Notes To The Financial Statements (continued) For the year ended 31 January 2008

7 Fixed asset investments

	Listed investments £	Unlisted investments £	Total £
Cost			
At 1 February 2007	101,657	123,068	224,725
Additions	25,000	23,672	48,672
Disposals	-	(20,000)	(20,000)
At 31 January 2008	126,657	126,740	253,397
Provisions for diminution in value			
At 1 February 2007	-	50,000	50,000
Charge for the year	114,487	25,000	139,487
At 31 January 2008	114,487	75,000	189,487
Net book value			
At 31 January 2008	12,170	51,740	63,910
At 31 January 2007	101,657	73,068	174,725
	Market value £	Directors' valuation £	Total £
At 31 January 2008	12,170	51,740	63,910
At 31 January 2007	41,500	73,068	114,568

8 Debtors

	2008 £	2007 £
Trade debtors	116,410	95,808
Other debtors	54,662	51,319
	171,072	147,127

Equity for Growth (Securities) Limited

Notes To The Financial Statements (continued) For the year ended 31 January 2008

9 Creditors: amounts falling due within one year	2008	2007
	£	£
Net obligations under hire purchase contracts	6,987	-
Taxation and social security	19,794	13,612
Other creditors	196,310	45,371
	<u>223,091</u>	<u>58,983</u>

10 Creditors: amounts falling due after more than one year	2008	2007
	£	£
Net obligations under hire purchase contracts	17,468	-
Amounts owed to group undertakings	245,643	245,598
	<u>263,111</u>	<u>245,598</u>

The directors have received written assurances from the parent company, Equity for Growth Limited, that the existing loan made to the company will not be due for repayment until the company's overall financial position allows so as not to jeopardise the company's going concern status nor to prejudice the interests of the creditors.

11 Share capital	2008	2007
	£	£
Authorised		
1,000,000,000 Ordinary shares of £0.001 each	1,000,000	1,000,000
	<u>1,000,000</u>	<u>1,000,000</u>
Allotted, called up and fully paid		
1,429,910 Ordinary shares of £0.001 each	1,430	1,382
	<u>1,430</u>	<u>1,382</u>

During the period the company the company issued 48,000 ordinary shares of £0.001 each for £6.25 per share for cash.

12 Statement of movements on reserves	Share premium account	Profit and loss account
	£	£
Balance at 1 February 2007	715,457	(585,192)
Loss for the year	-	(632,013)
Premium on shares issued during the year	299,952	-
	<u>1,015,409</u>	<u>(1,217,205)</u>

Equity for Growth (Securities) Limited

Notes To The Financial Statements (continued) For the year ended 31 January 2008

13 Financial commitments

At 31 January 2008 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 January 2009:

	2008	2007
	£	£
Operating leases which expire:		
Between two and five years	2,340	-
In over five years	180,030	131,695
	<u>182,370</u>	<u>131,695</u>

14 Control

The immediate parent company is Equity for Growth Limited, a company registered in England and Wales. The ultimate controlling party is the Baldwin Discretionary Trust which has a 62.5% shareholding in Equity for Growth Limited. Its trustees include J M Baldwin, a director of the company.

15 Related party transactions

At the balance sheet date the company owed an amount of £245,643 (2007 - £245,598) to the immediate parent company, Equity for Growth Limited. The loan is unsecured and interest-free.

During the period the company paid J M Baldwin, a former director, £20,000 (2007 - £4,693) for consultancy fees. At the balance sheet date an amount of £20,000 (2007 - £3,702) was due to him.