

Company Registration No. 05666550 (England and Wales)

**GRACECHURCH INVESTMENTS LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JANUARY 2009**

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# **GRACECHURCH INVESTMENTS LIMITED**

## **COMPANY INFORMATION**

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<b>Directors</b>	S Kenny J M F Wotton
<b>Secretary</b>	Millers Associates Limited
<b>Company number</b>	05666550
<b>Registered office</b>	5th Floor 22-25 Finsbury Square London EC2A 1DX
<b>Auditors</b>	HLB Vantis Audit plc Crown House 151 High Road Loughton Essex IG10 4LG

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# GRACECHURCH INVESTMENTS LIMITED

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# **GRACECHURCH INVESTMENTS LIMITED**

## **DIRECTORS' REPORT**

**FOR THE YEAR ENDED 31 JANUARY 2009**

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The directors present their report and financial statements for the year ended 31 January 2009.

### **Principal activities and review of the business**

The principal activity of the company continued to be that of security broking.

### **Liquidity Risk**

The company manages its cash and borrowing requirements in order to maximise interest income and minimise interest expense, whilst ensuring the company has sufficient liquid resources to meet the operating needs of the business.

### **Interest Rate Risk**

The company is not exposed to interest rate risk as it does not have any borrowings or overdrafts.

### **Foreign Currency Risk**

The company is not exposed to foreign currency risk as they only trade in sterling.

### **Credit Risk**

Investments of cash surpluses are made through banks and companies which must fulfill credit rating criteria approved by the Board.

### **Pillar 3 disclosures**

The firm intends to make the disclosures annually on its website, details of which can be found at <http://www.gracechurch-investments.com/>

### **Results and dividends**

The results for the year are set out on page 5.

### **Directors**

The following directors have held office since 1 February 2008:

S Kenny

J M F Wotton

### **Auditors**

HLB Vantis Audit plc were appointed auditors to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

# GRACECHURCH INVESTMENTS LIMITED

## DIRECTORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 JANUARY 2009**

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### Statement of 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 these financial statements, the directors are required to:

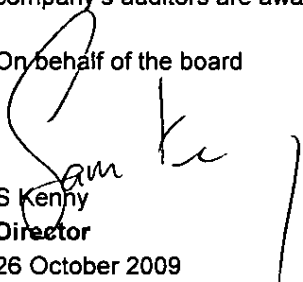
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare 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 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 auditors

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.

On behalf of the board



S Kenny  
Director  
26 October 2009

# **GRACECHURCH INVESTMENTS LIMITED**

## **INDEPENDENT AUDITORS' REPORT**

### **TO THE SHAREHOLDERS OF GRACECHURCH INVESTMENTS LIMITED**

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We have audited the financial statements of Gracechurch Investments Limited for the year ended 31 January 2009 set out on pages 5 to 13. 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 directors and auditors**

The directors' 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 in the Statement of Directors' Responsibilities.

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 directors' report 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 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.

# GRACECHURCH INVESTMENTS LIMITED

## INDEPENDENT AUDITORS' REPORT (CONTINUED)

### TO THE SHAREHOLDERS OF GRACECHURCH INVESTMENTS LIMITED

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#### 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 January 2009 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.

*HLB Vantis Audit plc*

HLB Vantis Audit plc

27 October 2009

Chartered Accountants  
Registered Auditor

Crown House  
151 High Road  
Loughton  
Essex  
IG10 4LG



# GRACECHURCH INVESTMENTS LIMITED

## PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 JANUARY 2009

	Notes	2009 £	2008 £
Turnover	2	1,044,938	616,947
Cost of sales		(12,172)	(109,851)
Gross profit		1,032,766	507,096
Administrative expenses		(1,040,832)	(451,539)
Operating (loss)/profit	3	(8,066)	55,557
Interest payable and similar charges	4	-	(4,000)
(Loss)/profit on ordinary activities before taxation		(8,066)	51,557
Tax on (loss)/profit on ordinary activities	5	-	-
(Loss)/profit for the year	10	(8,066)	51,557

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.



# GRACECHURCH INVESTMENTS LIMITED

## BALANCE SHEET

AS AT 31 JANUARY 2009

	Notes	2009 £	£	2008 £	£
<b>Fixed assets</b>					
Tangible assets	6		23,824		21,322
<b>Current assets</b>					
Debtors	7	32,746		49,356	
Cash at bank and in hand		116,182		87,853	
		<u>148,928</u>		<u>137,209</u>	
<b>Creditors: amounts falling due within one year</b>	8	<u>(86,891)</u>		<u>(64,604)</u>	
<b>Net current assets</b>			<u>62,037</u>		<u>72,605</u>
<b>Total assets less current liabilities</b>			<u>85,861</u>		<u>93,927</u>
<b>Capital and reserves</b>					
Called up share capital	9		1,000		1,000
Share premium account	10		99,900		99,900
Profit and loss account	10		<u>(15,039)</u>		<u>(6,973)</u>
<b>Shareholders' funds</b>	11		<u>85,861</u>		<u>93,927</u>

Approved by the Board and authorised for issue on 26 October 2009

  
S. Kenny  
Director

Company Registration No. 05666550

# GRACECHURCH INVESTMENTS LIMITED

## CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 JANUARY 2009

	£	2009 £	£	2008 £
<b>Net cash inflow from operating activities</b>		41,957		99,375
<b>Returns on investments and servicing of finance</b>				
Interest paid	-		(4,000)	
<b>Net cash outflow for returns on investments and servicing of finance</b>		-		(4,000)
<b>Capital expenditure</b>				
Payments to acquire tangible assets	(13,628)		(23,530)	
<b>Net cash outflow for capital expenditure</b>		(13,628)		(23,530)
<b>Net cash inflow before management of liquid resources and financing</b>		28,329		71,845
<b>Increase in cash in the year</b>		28,329		71,845

# GRACECHURCH INVESTMENTS LIMITED

## NOTES TO THE CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 JANUARY 2009

1	Reconciliation of operating (loss)/profit to net cash inflow from operating activities	2009	2008
		£	£
	Operating (loss)/profit	(8,066)	55,557
	Depreciation of tangible assets	11,126	7,720
	Decrease/(increase) in debtors	16,610	(17,153)
	Increase in creditors within one year	22,287	53,251
	<b>Net cash inflow from operating activities</b>	<b>41,957</b>	<b>99,375</b>

2	Analysis of net funds	1 February 2008	Cash flow	Other non-cash changes	31 January 2009
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	87,853	28,329	-	116,182
	<b>Net funds</b>	<b>87,853</b>	<b>28,329</b>	<b>-</b>	<b>116,182</b>

3	Reconciliation of net cash flow to movement in net funds	2009	2008
		£	£
	Increase in cash in the year	28,329	71,845
	<b>Movement in net funds in the year</b>	<b>28,329</b>	<b>71,845</b>
	Opening net funds	87,853	16,008
	<b>Closing net funds</b>	<b>116,182</b>	<b>87,853</b>

## 4 Liquid resources

Under Financial Reporting Standard 1, "Cash flow statements (revised 1996)", cash is defined as cash in hand, deposits repayable on demand without penalty and overdrafts. Short term deposits and investments are not considered to meet this definition and are therefore classified as liquid resources.

# GRACECHURCH INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JANUARY 2009

### 1 Accounting policies

#### 1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

#### 1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

#### 1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

#### 1.4 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:

Fixtures, fittings & equipment	25% straight line
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#### 1.5 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

### 2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

3 Operating (loss)/profit	2009 £	2008 £
Operating (loss)/profit is stated after charging:		
Depreciation of tangible assets	11,126	7,720
Operating lease rentals	36,445	6,772
Fees payable to the company's auditor for the audit of the company's annual accounts	7,000	-

4 Interest payable	2009 £	2008 £
On amounts payable to group companies	-	4,000

# GRACECHURCH INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2009

5	Taxation	2009	2008
		-	-
	Current tax charge	<u>-</u>	<u>-</u>
	<b>Factors affecting the tax charge for the year</b>		
	(Loss)/profit on ordinary activities before taxation	<u>(8,066)</u>	<u>51,557</u>
	(Loss)/profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 0.00% (2008 - 0.00%)	<u>-</u>	<u>-</u>
	Current tax charge	<u>-</u>	<u>-</u>
6	Tangible fixed assets	Fixtures, fittings & equipment	
		£	
	<b>Cost</b>		
	At 1 February 2008		30,878
	Additions		<u>13,628</u>
	At 31 January 2009		<u>44,506</u>
	<b>Depreciation</b>		
	At 1 February 2008		9,556
	Charge for the year		<u>11,126</u>
	At 31 January 2009		<u>20,682</u>
	<b>Net book value</b>		
	At 31 January 2009		<u>23,824</u>
	At 31 January 2008		<u>21,322</u>

# GRACECHURCH INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2009

<b>7 Debtors</b>	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Trade debtors	-	13,331
Called up share capital not paid	900	900
Other debtors	19,012	35,125
Prepayments and accrued income	12,834	-
	<u>32,746</u>	<u>49,356</u>
Amounts falling due after more than one year and included in the debtors above are:		
	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Other debtors	<u>18,725</u>	<u>10,125</u>
 <b>8 Creditors: amounts falling due within one year</b>	 <b>2009</b>	 <b>2008</b>
	<b>£</b>	<b>£</b>
Taxes and social security costs	77,114	62,552
Accruals and deferred income	9,777	2,052
	<u>86,891</u>	<u>64,604</u>
 <b>9 Share capital</b>	 <b>2009</b>	 <b>2008</b>
	<b>£</b>	<b>£</b>
<b>Authorised</b>		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
 <b>Allotted, called up and fully paid</b>		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

# GRACECHURCH INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 JANUARY 2009

#### 10 Statement of movements on reserves

	Share premium account £	Profit and loss account £
Balance at 1 February 2008	99,900	(6,973)
Loss for the year	-	(8,066)
Balance at 31 January 2009	<u>99,900</u>	<u>(15,039)</u>

#### 11 Reconciliation of movements in shareholders' funds

	2009 £	2008 £
(Loss)/Profit for the financial year	(8,066)	51,557
Opening shareholders' funds	<u>93,927</u>	<u>42,370</u>
Closing shareholders' funds	<u>85,861</u>	<u>93,927</u>

#### 12 Financial commitments

At 31 January 2009 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 January 2010:

	Land and buildings	
	2009 £	2008 £
Operating leases which expire:		
Between two and five years	<u>56,805</u>	<u>-</u>

#### 13 Directors' emoluments

	2009 £	2008 £
Emoluments for qualifying services	<u>14,392</u>	<u>12,000</u>

# GRACECHURCH INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2009

### 14 Employees

#### Number of employees

The average monthly number of employees (including directors) during the year was:

	2009 Number	2008 Number
Administration Staff	21	20

#### Employment costs

	2009 £	2008 £
Wages and salaries	440,780	198,462
Social security costs	40,710	19,711
	481,490	218,173

### 15 Control

Sam Kenny, a director, is considered to be the ultimate controlling party by virtue of his majority shareholding.

### 16 Related party transactions

K Corp Ltd is a company controlled by Sam Kenny, and Madstep Ltd is a company controlled by J Wotton. During the year, the company paid £169,435 and £89,092 to K Corp Ltd and Madstep Ltd respectively, in respect of consultancy fees.



**GRACECHURCH INVESTMENTS LIMITED**  
**MANAGEMENT INFORMATION**  
**FOR THE YEAR ENDED 31 JANUARY 2009**

# GRACECHURCH INVESTMENTS LIMITED

## DETAILED TRADING AND PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 JANUARY 2009

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		2009		2008
	£	£	£	£
<b>Turnover</b>				
Sales		1,044,560		616,947
Other income		378		-
		<u>1,044,938</u>		<u>616,947</u>
<b>Cost of sales</b>				
Commissions payable	-		102,378	
Other direct costs	12,172		7,473	
		<u>(12,172)</u>		<u>(109,851)</u>
<b>Gross profit</b>		1,032,766		507,096
<b>Administrative expenses</b>		<u>(1,040,832)</u>		<u>(451,539)</u>
<b>Operating (loss)/profit</b>		(8,066)		55,557
<b>Interest payable</b>				
Other interest paid		-		(4,000)
		<u>-</u>		<u>(4,000)</u>
<b>(Loss)/profit before taxation</b>		<u><u>(8,066)</u></u>		<u><u>51,557</u></u>

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# GRACECHURCH INVESTMENTS LIMITED

## SCHEDULE OF ADMINISTRATIVE EXPENSES

FOR THE YEAR ENDED 31 JANUARY 2009

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	2009	2008
	£	£
<b>Administrative expenses</b>		
Wages and salaries	426,388	186,462
Directors' remuneration	14,392	12,000
Employer's N.I. contributions	40,710	19,711
Staff training	678	2,624
Recruitment expenses	7,355	634
Rent	36,445	6,772
Rates	9,867	2,180
Insurance	20,764	6,315
Cleaning	-	390
Repairs and maintenance	1,258	-
Service charge payable	8,731	-
Printing, postage and stationery	16,310	10,322
Advertising & PR	9,137	55,634
Telephone	10,587	6,164
Internet & IT costs	9,623	-
Premises expenses	4,790	24
Travelling expenses	729	-
Entertaining	19,159	4,313
Legal and prof fees	45,428	16,397
Consultancy fees	325,354	105,873
Accountancy	7,501	6,462
Audit fees	7,000	-
Bank charges	1,781	1,142
Bad and doubtful debts	3,825	-
Subscriptions	1,894	400
Depreciation	11,126	7,720
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	1,040,832	451,539
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