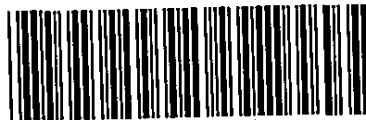


REGISTERED NUMBER: 04977073 (England and Wales)

**REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011
FOR
DINOSAUR SECURITIES (UK) LIMITED**

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DINOSAUR SECURITIES (UK) LIMITED (REGISTERED NUMBER: 04977073)

**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

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DINOSAUR SECURITIES (UK) LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2011

DIRECTORS: Mr Glenn Grossman
Angelita Lucero

SECRETARIES: Ivy Choo
Venisha Raquel Frith

REGISTERED OFFICE: Barbican House
26-34 Old Street
London
EC1V 9QR

REGISTERED NUMBER: 04977073 (England and Wales)

AUDITORS: Blackstone Franks LLP
Chartered Accountants
& Statutory Auditors
Barbican House
26-34 Old Street
LONDON
EC1V 9QR

DINOSAUR SECURITIES (UK) LIMITED (REGISTERED NUMBER: 04977073)

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2011**

The directors present their report with the financial statements of the company for the year ended 31 December 2011

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of a financial services company which is duly authorised and regulated by Financial Services Authority

REVIEW OF BUSINESS

2011 evidenced a more than 200% increase in revenues and a return to profitability after realising a net loss in 2010. This was mainly due to our efforts to increase our business with respect to South America, MENA, Africa and Eastern Europe.

In 2011, the company started clearing and settling securities on its own with Penson UK which unfortunately ceased operations in January 2012. KAS Bank will replace Penson UK in this regard and once again enable us to clear and settle trades in our own right without introducing them to our USA affiliate. This enables us to better service foreign institutions and the European markets as well South America, Eastern Europe and Africa, all areas where we see significant potential for growth in the future.

Our growth in 2011 was very much down to the fact that we could settle and clear trades directly. In 2012 we expect to see a significant increase in revenues as we build up customer business with Eligible Counterparties in the regions referred to in the preceding paragraph.

In 2011 the Company received permission from the FSA for the right to hold client monies in certified client trust accounts. We hope to be able to build on this permission and will seek accounts with small hedge funds, and asset managers who need Direct Market Access as well as custody and security financing.

In 2011, the Company began providing security financing for fixed income assets, structured products and special loan transactions. As margins on liquid markets continue to narrow, these new product lines are important areas for future growth. Total revenues from these services were less than £500,000 in 2011, we are hopeful that this number will be an area for growth in future years.

The primary reason for the growth in revenues last year was from foreign banks and New Issue brokerage. We think these businesses will continue to grow in 2012 along with our other mainstays of bond brokerage and special transaction solutions.

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2011.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2011 to the date of this report.

Mr Glenn Grossman
Angelita Lucero

DINOSAUR SECURITIES (UK) LIMITED (REGISTERED NUMBER: 04977073)

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2011**

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors and 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). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 accounting estimates that are reasonable and prudent,
- state whether applicable 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 adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006. 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 AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Blackstone Franks LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



Mr Glenn Grossman - Director

Date 6/5/2012

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF DINOSAUR SECURITIES (UK) LIMITED

We have audited the financial statements of DINOSAUR SECURITIES (UK) LIMITED for the year ended 31 December 2011 on pages six to sixteen. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 a Report of the Auditors 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

As explained more fully in the Statement of Directors' Responsibilities set out on page three, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Directors to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2011 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

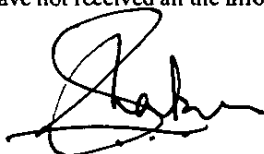
In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
DINOSAUR SECURITIES (UK) LIMITED**

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Subhash V Thakrar FCA (Senior Statutory Auditor)
for and on behalf of Blackstone Franks LLP
Chartered Accountants
& Statutory Auditors
Barbican House
26-34 Old Street
LONDON
EC1V 9QR

Date

8/5/2012

DINOSAUR SECURITIES (UK) LIMITED (REGISTERED NUMBER: 04977073)

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2011**

		31/12/11	31/12/10 as restated
	Notes	£	£
TURNOVER	2	6,834,560	2,880,147
Cost of sales		<u>(6,059,167)</u>	<u>(2,569,092)</u>
GROSS PROFIT		775,393	311,055
Administrative expenses		<u>(759,894)</u>	<u>(382,366)</u>
		15,499	(71,311)
Other operating income		<u>16,000</u>	<u>-</u>
OPERATING PROFIT/(LOSS)	4	31,499	(71,311)
Interest receivable and similar income		<u>4,923</u>	<u>28</u>
		36,422	(71,283)
Interest payable and similar charges	5	<u>(6,014)</u>	<u>-</u>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		30,408	(71,283)
Tax on profit/(loss) on ordinary activities	6	<u>(7,888)</u>	<u>18,425</u>
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		<u>22,520</u>	<u>(52,858)</u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous year

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profit for the current year and the loss for the previous year

The notes form part of these financial statements

DINOSAUR SECURITIES (UK) LIMITED (REGISTERED NUMBER: 04977073)


**BALANCE SHEET
31 DECEMBER 2011**

		2011	2010 as restated
	Notes	£	£
FIXED ASSETS			
Tangible assets	8	18,157	11,344
CURRENT ASSETS			
Debtors	9	44,209,866	579,344
Investments	10	373,266	410,690
Cash at bank		136,930	31,717
		<u>44,720,062</u>	<u>1,021,751</u>
CREDITORS			
Amounts falling due within one year	11	<u>(44,516,190)</u>	<u>(833,585)</u>
NET CURRENT ASSETS		<u>203,872</u>	<u>188,166</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>222,029</u>	<u>199,510</u>
CAPITAL AND RESERVES			
Called up share capital	14	178,628	178,628
Profit and loss account	15	43,401	20,882
SHAREHOLDERS' FUNDS	20	<u>222,029</u>	<u>199,510</u>

The financial statements were approved by the Board of Directors on behalf by

6/5/2012

and were signed on its


Mr Glenn Grossman - Director

The notes form part of these financial statements

DINOSAUR SECURITIES (UK) LIMITED (REGISTERED NUMBER: 04977073)

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2011**

		31/12/11	31/12/10
	Notes	£	as restated £
Net cash inflow from operating activities	1	103,998	339,721
Returns on investments and servicing of finance	2	(1,091)	28
Taxation		(6,603)	1
Capital expenditure and financial investment	2	23,109	(411,077)
		119,413	(71,327)
Financing	2	(14,200)	92,843
Increase in cash in the period		105,213	21,516
Reconciliation of net cash flow to movement in net funds	3		
Increase in cash in the period		105,213	21,516
Cash (inflow)/outflow from (decrease)/increase in liquid resources		(37,424)	410,690
Change in net funds resulting from cash flows		67,789	432,206
Movement in net funds in the period		67,789	432,206
Net funds at 1 January		442,407	10,201
Net funds at 31 December		510,196	442,407

The notes form part of these financial statements

DINOSAUR SECURITIES (UK) LIMITED (REGISTERED NUMBER: 04977073)

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2011**

1 RECONCILIATION OF OPERATING PROFIT/(LOSS) TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	31/12/11	31/12/10 as restated
	£	£
Operating profit/(loss)	31,499	(71,311)
Depreciation charges	7,502	7,141
(Increase)/decrease in debtors	(43,616,322)	83,916
Increase in creditors	43,681,319	319,975
Net cash inflow from operating activities	103,998	339,721

2 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	31/12/11	31/12/10 as restated
	£	£
Returns on investments and servicing of finance		
Interest received	4,923	28
Interest paid	(6,014)	-
Net cash (outflow)/inflow for returns on investments and servicing of finance	(1,091)	28
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(14,315)	(387)
Purchase of fixed asset investments	-	(410,690)
Sale of current asset investments	37,424	-
Net cash inflow/(outflow) for capital expenditure and financial investment	23,109	(411,077)
Financing		
Amount introduced by directors	(14,200)	14,600
Share issue	-	78,243
Net cash (outflow)/inflow from financing	(14,200)	92,843

The notes form part of these financial statements

DINOSAUR SECURITIES (UK) LIMITED (REGISTERED NUMBER: 04977073)

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2011**

3 ANALYSIS OF CHANGES IN NET FUNDS

	At 1/1/11	Cash flow	At
	£	£	31/12/11
			£
Net cash			
Cash at bank	<u>31,717</u>	<u>105,213</u>	<u>136,930</u>
	<u>31,717</u>	<u>105,213</u>	<u>136,930</u>
Liquid resources			
Current asset investments	<u>410,690</u>	<u>(37,424)</u>	<u>373,266</u>
	<u>410,690</u>	<u>(37,424)</u>	<u>373,266</u>
Total	<u>442,407</u>	<u>67,789</u>	<u>510,196</u>

The notes form part of these financial statements

DINOSAUR SECURITIES (UK) LIMITED (REGISTERED NUMBER: 04977073)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

1 ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements have been prepared on a going concern basis

Accounting convention

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards

Turnover

Turnover represents commissions receivable

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life

Fixtures and fittings	- 33% on cost
Computer equipment	- 15% on cost

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

2 TURNOVER

Management do not record data with reference to its geographical location, and the directors feel that in doing so would take unnecessary time and cost.

3 STAFF COSTS

	31/12/11	31/12/10 as restated
	£	£
Wages and salaries	<u>293,386</u>	<u>154,407</u>

The average monthly number of employees during the year was as follows

	31/12/11	31/12/10 as restated
Brokers	5	1
Administration	<u>5</u>	<u>5</u>
	<u>10</u>	<u>6</u>

DINOSAUR SECURITIES (UK) LIMITED (REGISTERED NUMBER: 04977073)

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2011**

4 OPERATING PROFIT/(LOSS)

The operating profit (2010 - operating loss) is stated after charging

	31/12/11	31/12/10 as restated
	£	£
Depreciation - owned assets	7,502	7,142
Auditors remuneration	12,000	13,972
Auditors' remuneration for non audit work	17,200	8,518
Foreign exchange differences	6,730	1,196
	<u>62,222</u>	<u>51,736</u>
Directors' remuneration	<u>62,222</u>	<u>51,736</u>

5 INTEREST PAYABLE AND SIMILAR CHARGES

	31/12/11	31/12/10 as restated
	£	£
Bank interest	2,462	-
Other interest	3,552	-
	<u>6,014</u>	<u>-</u>

6 TAXATION

Analysis of the tax charge/(credit)

The tax charge/(credit) on the profit on ordinary activities for the year was as follows

	31/12/11	31/12/10 as restated
	£	£
Current tax		
UK corporation tax	7,888	(18,425)
	<u>7,888</u>	<u>(18,425)</u>
Tax on profit/(loss) on ordinary activities	<u>7,888</u>	<u>(18,425)</u>

7 PRIOR YEAR ADJUSTMENT

During the period, it was identified that the company had entered into certain repurchase transactions in the previous period. These had not been fully reflected on the company's balance sheet. The effect was to increase current assets by £660,374 and current liabilities by £660,374.

The effect on reserves was £nil.

DINOSAUR SECURITIES (UK) LIMITED (REGISTERED NUMBER: 04977073)

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2011**

8 TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Computer equipment £	Totals £
COST			
At 1 January 2011	25,737	9,975	35,712
Additions	9,105	5,210	14,315
At 31 December 2011	<u>34,842</u>	<u>15,185</u>	<u>50,027</u>
DEPRECIATION			
At 1 January 2011	17,262	7,108	24,370
Charge for year	4,175	3,327	7,502
At 31 December 2011	<u>21,437</u>	<u>10,435</u>	<u>31,872</u>
NET BOOK VALUE			
At 31 December 2011	<u>13,405</u>	<u>4,750</u>	<u>18,155</u>
At 31 December 2010	<u>8,475</u>	<u>2,867</u>	<u>11,342</u>

9 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31/12/11 £	31/12/10 as restated £
Trade debtors	392,630	188,089
Amounts owed by group undertakings	62,556	98,054
Other debtors	122,000	30,000
Due from repurchase contract	198,457	249,684
Other loan	43,399,999	-
Directors' loan accounts	14,200	-
Prepayments	20,024	13,517
	<u>44,209,866</u>	<u>579,344</u>

During the year, the company made an interest bearing loan of £43,399,999 to an entity. The loan is repayable in August 2012. The loan is guaranteed by a cross collateral agreement as described in Note 13.

10 CURRENT ASSET INVESTMENTS

	31/12/11 £	31/12/10 as restated £
Listed investments	<u>373,266</u>	<u>410,690</u>

Market value of listed investments at 31 December 2011 - £373,266 (2010 - £410,690)

DINOSAUR SECURITIES (UK) LIMITED (REGISTERED NUMBER: 04977073)

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2011**

11 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31/12/11	31/12/10 as restated
	£	£
Trade creditors	(1)	-
Taxation	7,690	6,405
Social security and other taxes	10,691	5,333
Other creditors	48,613	31,055
Due as repurchase contract	198,457	249,684
Asset value repayable	373,266	410,690
Other loan	43,399,999	-
Accruals and deferred income	347,315	113,905
Accrued expenses	130,159	16,513
	<u>44,516,189</u>	<u>833,585</u>

12 OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid within one year

	31/12/11	31/12/10 as restated
	£	£
Expiring		
Between one and five years	<u>28,500</u>	<u>10,543</u>

13 SECURED DEBTS

During the year, Dinosaur Securities (UK) Limited has received money, in a full title transfer, as part of a cross collateral agreement with regards to the loan described in Note 9. Dinosaur Securities (UK) Limited pays interest on the money to the entity that granted the guarantee. The monies are not repayable, until the loan described in Note 9, is fully repaid to Dinosaur Securities (UK) Limited but there is no specific obligation to repay the monies at any particular time.

14 CALLED UP SHARE CAPITAL

Allotted, issued and fully paid			31/12/11	31/12/10 as restated
Number	Class	Nominal value		
			£	£
178,628	Ordinary shares	£1	<u>178,628</u>	<u>178,628</u>

DINOSAUR SECURITIES (UK) LIMITED (REGISTERED NUMBER: 04977073)

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2011**

15 RESERVES

	Profit and loss account £
At 1 January 2011	20,880
Profit for the year	22,520
	<hr/>
At 31 December 2011	43,400
	<hr/>

16 ULTIMATE PARENT COMPANY

The ultimate parent company is Dinosaur Group Holdings LLC, a company incorporated in USA

17 TRANSACTIONS WITH DIRECTORS

The following loan to directors subsisted during the years ended 31 December 2011 and 31 December 2010

	31/12/11 £	31/12/10 as restated £
Mr Glenn Grossman		
Balance outstanding at start of year	-	14,600
Amounts advanced	14,200	-
Amounts repaid	-	(14,600)
Balance outstanding at end of year	14,200	-
	<hr/>	<hr/>

18 RELATED PARTY DISCLOSURES

Expenses totalling £1,642 (2010 £3,721) were paid on behalf Dinosaur Swiss Limited Dinosaur Swiss Limited is a subsidiary of Dinosaur Group Holdings LLC, incorporated in USA

As at the balance sheet date the company was owed £62,556 (2010 £98,054) by Dinosaur Group Holdings LLC, a company incorporated in USA Dinosaur Group Holdings LLC is the parent company of Dinosaur Securities (UK) Limited This balance is the result of money transferred to Dinosaur Group Holdings LLC to enable it to meet its liabilities when they fall due

19 ULTIMATE CONTROLLING PARTY

The director Glenn Grossman is the ultimate controlling party

DINOSAUR SECURITIES (UK) LIMITED (REGISTERED NUMBER: 04977073)

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2011**

20 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31/12/11	31/12/10
	£	as restated £
Profit/(loss) for the financial year	22,520	(52,858)
Share issue	-	78,243
	<hr/>	<hr/>
Net addition to shareholders' funds	22,520	25,385
Opening shareholders' funds	199,508	174,123
	<hr/>	<hr/>
Closing shareholders' funds	222,028	199,508
	<hr/>	<hr/>