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**REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE PERIOD 1 SEPTEMBER 2007 TO 30 JUNE 2008
FOR
ABA CORPORATE FINANCE LIMITED**

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ABA CORPORATE FINANCE LIMITED

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FOR THE PERIOD 1 SEPTEMBER 2007 TO 30 JUNE 2008**

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ABA CORPORATE FINANCE LIMITED

**COMPANY INFORMATION
FOR THE PERIOD 1 SEPTEMBER 2007 TO 30 JUNE 2008**

DIRECTORS:

Mr R P Barnsley
Mr N Mackay
Sir B P Zissman
J Hall
Mr R Panting

SECRETARY:

Mr R P Barnsley

REGISTERED OFFICE:

6th Floor
Edgbaston House
3 Duchess Place
Birmingham
West Midlands
B16 8NH

REGISTERED NUMBER:

02936888 (England and Wales)

AUDITORS:

J W Hinks
Chartered Accountants
and Registered Auditors
19 Highfield Road
Edgbaston
Birmingham
B15 3BH

ABA CORPORATE FINANCE LIMITED

REPORT OF THE DIRECTORS FOR THE PERIOD 1 SEPTEMBER 2007 TO 30 JUNE 2008

The directors present their report with the financial statements of the company for the period 1 September 2007 to 30 June 2008

PRINCIPAL ACTIVITY

The principal activity of the company in the period under review was that of acting as a corporate finance adviser

REVIEW OF BUSINESS

The results for the period and financial position of the company are as shown in the annexed financial statements

The accounts for ABA Corporate Finance Limited are included within the group accounts for The Advantage Business Angels Group Limited (previously Private Equity UK Limited)

A full business review for the group can be found in the directors' report of that company

DIVIDENDS

No dividends will be distributed for the period ended 30 June 2008

DIRECTORS

The directors shown below have held office during the whole of the period from 1 September 2007 to the date of this report

Mr R P Barnsley
Mr N Mackay
Sir B P Zissman
J Hall

Other changes in directors holding office are as follows

Mr P Court - resigned 8 October 2007
Mr J R M Phillips - resigned 8 October 2007
Mr R Painting - appointed 17 March 2008

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 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 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.

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 234ZA of the Companies Act 1985) 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 in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

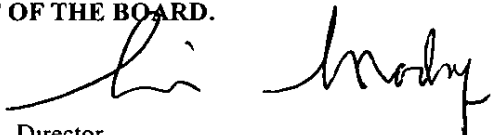
ABA CORPORATE FINANCE LIMITED

**REPORT OF THE DIRECTORS
FOR THE PERIOD 1 SEPTEMBER 2007 TO 30 JUNE 2008**

AUDITORS

The auditors, J W Hinks, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985

ON BEHALF OF THE BOARD.

A handwritten signature in black ink, appearing to read 'N Mackay', is written over the text 'ON BEHALF OF THE BOARD.'

Mr N Mackay - Director

1 October 2008

REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF ABA CORPORATE FINANCE LIMITED

We have audited the financial statements of ABA Corporate Finance Limited for the period ended 30 June 2008 on pages five to fifteen. 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 on page two.

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 Report of the Directors 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 Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

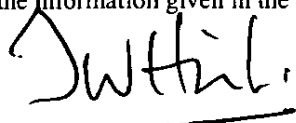
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the 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 30 June 2008 and of its profit for the period then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Report of the Directors is consistent with the financial statements.



J W Hinks
Chartered Accountants
and Registered Auditors
19 Highfield Road
Edgbaston
Birmingham
B15 3BH

1 October 2008

ABA CORPORATE FINANCE LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE PERIOD 1 SEPTEMBER 2007 TO 30 JUNE 2008**

	Notes	Period 1.9.07 to 30.6.08 £	Year Ended 31 8 07 £
TURNOVER		116,465	101,309
Cost of sales		<u>5,250</u>	<u>8,337</u>
GROSS PROFIT		111,215	92,972
Administrative expenses		<u>7,790</u>	<u>7,746</u>
OPERATING PROFIT	3	103,425	85,226
Interest receivable and similar income		<u>1,332</u>	<u>437</u>
		104,757	85,663
Amounts written off investments	4	<u>13,750</u>	<u>-</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		91,007	85,663
Tax on profit on ordinary activities	5	<u>258</u>	<u>85</u>
PROFIT FOR THE FINANCIAL PERIOD AFTER TAXATION		<u>90,749</u>	<u>85,578</u>

CONTINUING OPERATIONS

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

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profits for the current period or previous year

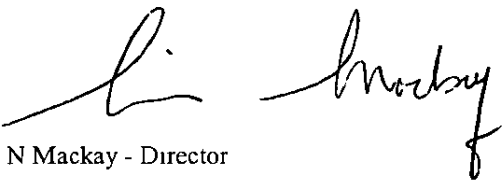
The notes form part of these financial statements

ABA CORPORATE FINANCE LIMITED

BALANCE SHEET
30 JUNE 2008

		2008	2007
	Notes	£	£
FIXED ASSETS			
Tangible assets	6	334	422
Investments	7	22,500	2
		<u>22,834</u>	<u>424</u>
CURRENT ASSETS			
Debtors	8	91,568	74,556
Cash at bank and in hand		93,701	53,832
		<u>185,269</u>	<u>128,388</u>
CREDITORS			
Amounts falling due within one year	9	10,887	22,345
NET CURRENT ASSETS		<u>174,382</u>	<u>106,043</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>197,216</u>	<u>106,467</u>
CAPITAL AND RESERVES			
Called up share capital	10	267,762	267,762
Share premium	11	509,036	509,036
Profit and loss account	11	(579,582)	(670,331)
SHAREHOLDERS' FUNDS	13	<u>197,216</u>	<u>106,467</u>

The financial statements were approved by the Board of Directors on 1 October 2008 and were signed on its behalf by


Mr N Mackay - Director

The notes form part of these financial statements

ABA CORPORATE FINANCE LIMITED

**CASH FLOW STATEMENT
FOR THE PERIOD 1 SEPTEMBER 2007 TO 30 JUNE 2008**

		Period 1.9.07 to 30.6.08 £	Year Ended 31.8.07 £
	Notes		
Net cash inflow from operating activities	1	74,862	43,936
Returns on investments and servicing of finance	2	1,332	437
Taxation		(77)	-
Capital expenditure and financial investment	2	(36,248)	-
Increase in cash in the period		<u>39,869</u>	<u>44,373</u>
Reconciliation of net cash flow to movement in net funds	3		
Increase in cash in the period		<u>39,869</u>	<u>44,373</u>
Change in net funds resulting from cash flows		<u>39,869</u>	<u>44,373</u>
Movement in net funds in the period		<u>39,869</u>	<u>44,373</u>
Net funds at 1 September		<u>53,832</u>	<u>9,459</u>
Net funds at 30 June		<u>93,701</u>	<u>53,832</u>

The notes form part of these financial statements

ABA CORPORATE FINANCE LIMITED

**NOTES TO THE CASH FLOW STATEMENT
FOR THE PERIOD 1 SEPTEMBER 2007 TO 30 JUNE 2008**

1 RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	Period 1.9.07 to 30.6.08 £	Year Ended 31 8 07 £
Operating profit	103,425	85,226
Depreciation charges	88	140
Increase in debtors	(17,012)	(61,519)
(Decrease)/Increase in creditors	(11,639)	20,089
Net cash inflow from operating activities	74,862	43,936

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

	Period 1.9.07 to 30.6.08 £	Year Ended 31 8 07 £
Returns on investments and servicing of finance		
Interest received	1,332	437
Net cash inflow for returns on investments and servicing of finance	1,332	437
 Capital expenditure and financial investment		
Purchase of fixed asset investments	(36,250)	-
Sale of fixed asset investments	2	-
Net cash outflow for capital expenditure and financial investment	(36,248)	-

3 ANALYSIS OF CHANGES IN NET FUNDS

	At 1.9.07 £	Cash flow £	At 30.6.08 £
Net cash			
Cash at bank and in hand	53,832	39,869	93,701
	<u>53,832</u>	<u>39,869</u>	<u>93,701</u>
 Total	 <u>53,832</u>	 <u>39,869</u>	 <u>93,701</u>

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 1 SEPTEMBER 2007 TO 30 JUNE 2008

1 ACCOUNTING POLICIES

Accounting convention

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

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax

Tangible fixed assets

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

Plant and machinery - 25% on reducing balance

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date

2 STAFF COSTS

There were no staff costs for the period ended 30 June 2008 nor for the year ended 31 August 2007

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

	Period 1.9.07 to 30.6.08	Year Ended 31 8 07
Directors	<u>5</u>	<u>6</u>

3 OPERATING PROFIT

The operating profit is stated after charging

	Period 1.9.07 to 30.6.08 £	Year Ended 31 8 07 £
Depreciation - owned assets	88	140
Auditors' remuneration	<u>2,320</u>	<u>1,750</u>
Directors' emoluments	<u>-</u>	<u>-</u>

4 AMOUNTS WRITTEN OFF INVESTMENTS

	Period 1.9.07 to 30.6.08 £	Year Ended 31 8 07 £
Amounts written off investments	<u>13,750</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 SEPTEMBER 2007 TO 30 JUNE 2008

5 TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the period was as follows

	Period 1.9.07 to 30.6.08 £	Year Ended 31 8 07 £
Current tax		
UK corporation tax	266	85
Prior year	(8)	-
	<u>258</u>	<u>85</u>
Tax on profit on ordinary activities	<u>258</u>	<u>85</u>

Factors affecting the tax charge

The tax assessed for the period is lower than the standard rate of corporation tax in the UK. The difference is explained below

	Period 1.9.07 to 30.6 08 £	Year Ended 31 8 07 £
Profit on ordinary activities before tax	<u>91,007</u>	<u>85,663</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19.970% (2007 - 19.420%)	18,174	16,636
Effects of		
Depreciation in excess of capital allowances	(146)	(229)
Tax losses	(17,762)	(16,322)
Adjustments to tax charge in respect of prior periods	(8)	-
Current tax charge	<u>258</u>	<u>85</u>

ABA CORPORATE FINANCE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 SEPTEMBER 2007 TO 30 JUNE 2008**

6 TANGIBLE FIXED ASSETS

	Plant and machinery £
COST	
At 1 September 2007 and 30 June 2008	<u>7,476</u>
DEPRECIATION	
At 1 September 2007	7,054
Charge for period	<u>88</u>
At 30 June 2008	<u>7,142</u>
NET BOOK VALUE	
At 30 June 2008	<u>334</u>
At 31 August 2007	<u>422</u>

7 FIXED ASSET INVESTMENTS

	Shares in group undertakings £	Listed investments £	Totals £
COST			
At 1 September 2007	2	-	2
Additions	-	36,250	36,250
Disposals	<u>(2)</u>	<u>-</u>	<u>(2)</u>
At 30 June 2008	<u>-</u>	<u>36,250</u>	<u>36,250</u>
PROVISIONS			
Provision for period	<u>-</u>	<u>13,750</u>	<u>13,750</u>
At 30 June 2008	<u>-</u>	<u>13,750</u>	<u>13,750</u>
NET BOOK VALUE			
At 30 June 2008	<u>-</u>	<u>22,500</u>	<u>22,500</u>
At 31 August 2007	<u>2</u>	<u>-</u>	<u>2</u>

ABA CORPORATE FINANCE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 SEPTEMBER 2007 TO 30 JUNE 2008**

7 FIXED ASSET INVESTMENTS - continued

The company's investments at the balance sheet date in the share capital of companies include the following

Investor Champions Limited
Country of incorporation England
Nature of business Dormant

	% holding	2008	2007
Class of shares		£	£
Ordinary	100.00		
Aggregate capital and reserves		<u>-</u>	<u>2</u>

The company is dormant

During the year the ABA Corporate Finance Limited sold its investment in Investor Champions Limited for £2 to The Advantage Business Angels Group Limited (previously known as Private Equity UK Limited), a company in which Mr R P Barnsley and Mr N D Mackay are both directors and shareholders

8 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2008	2007
	£	£
Trade debtors	76,848	71,688
Amounts owed by group undertakings	14,720	-
Prepayments and accrued income	-	2,868
	<u>91,568</u>	<u>74,556</u>

9 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2008	2007
	£	£
Trade creditors	3,029	215
Tax	266	85
Social security and other taxes	-	15,295
VAT	592	-
Accrued expenses	7,000	6,750
	<u>10,887</u>	<u>22,345</u>

ABA CORPORATE FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 SEPTEMBER 2007 TO 30 JUNE 2008

10 CALLED UP SHARE CAPITAL

Authorised Number	Class	Nominal value	2008 £	2007 £
20,000,000	Ordinary	5p	1,000,000	1,000,000
1,033,700	Ordinary 'A'	1p	10,337	10,337
			<u>1,010,337</u>	<u>1,010,337</u>

Allotted, issued and fully paid Number	Class	Nominal value	2008 £	2007 £
5,148,500	Ordinary	5p	257,425	257,425
1,033,700	Ordinary 'A'	1p	10,337	10,337
			<u>267,762</u>	<u>267,762</u>

11 RESERVES

	Profit and loss account £	Share premium £	Totals £
At 1 September 2007	(670,331)	509,036	(161,295)
Profit for the period	90,749		90,749
At 30 June 2008	<u>(579,582)</u>	<u>509,036</u>	<u>(70,546)</u>

ABA CORPORATE FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE PERIOD 1 SEPTEMBER 2007 TO 30 JUNE 2008

12 RELATED PARTY DISCLOSURES

ABA Private Investors Limited

Provision of services

During the period ended 30 June 2008, ABA Corporate Finance Limited provided services totalling £85,000 (year ended 31 August 2007 - £35,000) to ABA Private Investors Limited (previously known as The Business Angels Bureau Limited), a company in which Mr R P Barnsley and Mr N Mackay and Sir B P Zissman also serve as directors

These transactions were conducted under normal commercial terms

The Advantage Business Angels Group Limited

Purchase of shares in ABA Corporate Finance Limited

During the period ended 30 June 2008, The Advantage Business Angels Group Limited (previously known as Private Equity UK Limited) acquired a majority shareholding in the ownership of ABA Corporate Finance Limited

The Advantage Business Angels Group Limited is a company in which Mr R P Barnsley, Mr N Mackay, Sir B P Zissman and Mr R Painting serve as directors and have a beneficial interest

Disposal of investment in Investor Champions Limited

During the year ABA Corporate Finance Limited disposed of its investment in Investor Champions Limited for a total of £2 to The Advantage Business Angels Group Limited

Provision of services

During the period ended 30 June 2008, ABA Corporate Finance Limited provided services totalling £35,000 (year ended 31 August 2007 - £47,500) to The Advantage Business Angels Group Limited

This transaction was conducted under normal commercial terms

As at 30 June 2008 ABA Corporate Finance Limited was owed £41,125 (year ended 31 August 2007 - £nil) from The Advantage Business Angels Group Limited

Private Equity Builders LLP

During the period ended 30 June 2008, ABA Corporate Finance Limited acquired shares to the value of £36,250 (year ended 31 August 2007 - £nil) in Early Equity plc from Private Equity Builders LLP, a limited liability partnership in which Mr N Mackay and Sir B P Zissman have a beneficial interest

Mr N Mackay and Mr R Painting serve as directors of Early Equity plc

13 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2008	2007
	£	£
Profit for the financial period	90,749	85,578
Net addition to shareholders' funds	90,749	85,578
Opening shareholders' funds	106,467	20,889
Closing shareholders' funds	197,216	106,467

ABA CORPORATE FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 SEPTEMBER 2007 TO 30 JUNE 2008

14 CONTROL

The company is under the control of The Advantage Business Angels Group Limited, a company incorporated in England