

REGISTERED NUMBER 3220676 (England and Wales)

**Report of the Director and
Financial Statements
for the year ended 31st December 2007
for
STRUCTURED RISK PRODUCTS LIMITED**

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STRUCTURED RISK PRODUCTS LIMITED

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STRUCTURED RISK PRODUCTS LIMITED

**Company Information
for the year ended 31st December 2007**

DIRECTOR:	N S R Edwards
SECRETARY	H Edwards
REGISTERED OFFICE:	Suite 1 Bennet Court 1 Bellevue Road Wandsworth Common London SW17 7EG
REGISTERED NUMBER:	3220676 (England and Wales)
AUDITORS	Simpson Wreford & Partners Chartered Accountants Registered Auditors Suffolk House George Street Croydon CR0 0YN
BANKERS.	Barclays Bank plc 114 Fenchurch Street London EC3P 3HY

STRUCTURED RISK PRODUCTS LIMITED

Report of the Director for the year ended 31st December 2007

The director presents his report with the financial statements of the company for the year ended 31st December 2007

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of risk structuring and arranging transactions relating to investment business, start-up financing, real estate, leisure and equity release, insurance, reinsurance and risk financing

REVIEW OF BUSINESS

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

During the year the company undertook work principally related to business funding in the leisure sector and early stage development of products in the affordable housing sector. The firm seeks to maintain its conservative approach to risk, diversity in its business and continued development of staff and skills in order to ensure it can successfully navigate periods of economic and financial turbulence. The firm has taken steps to reduce its carbon footprint.

DIVIDENDS

Interim dividends of £2,137 per share were paid during the year.

The director recommends that no final dividend be paid.

The total distribution of dividends for the year ended 31st December 2007 will be £213,724.

FUTURE DEVELOPMENTS

The company will continue to undertake transactions involving fundraising and investment, risk structuring and hedging for equity release, large housing portfolios and other real estate, leisure and specialist businesses, and in relation to insurance and reinsurance.

DIRECTOR

N S R Edwards held office during the whole of the period from 1st January 2007 to the date of this report.

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The director is responsible for preparing the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director is 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 director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 1985. He is 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 director is 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 he 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.


STRUCTURED RISK PRODUCTS LIMITED

**Report of the Director
for the year ended 31st December 2007**

AUDITORS

The auditors, Simpson Wreford & Partners, 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 'NSR Edwards', written over a horizontal line.

N S R Edwards - Director

Date

7/3/2008

**Report of the Independent Auditors to the Shareholders of
Structured Risk Products Limited**

We have audited the financial statements of Structured Risk Products Limited for the year ended 31st December 2007 on pages five to thirteen. 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 director and auditors

The director's 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 Director 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 director's remuneration and other transactions is not disclosed.

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

Basis of audit opinion

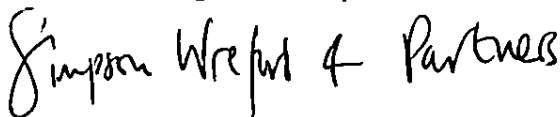
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the director 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 31st December 2007 and of its profit 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 Report of the Director is consistent with the financial statements.



Simpson Wreford & Partners
Chartered Accountants
Registered Auditors
Suffolk House
George Street
Croydon CR0 0YN

Date 7 March 2008

STRUCTURED RISK PRODUCTS LIMITED

Profit and Loss Account for the year ended 31st December 2007

	Notes	2007 £	2006 £
TURNOVER		472,443	299,158
Cost of sales		-	(13,441)
GROSS PROFIT		472,443	312,599
Administrative expenses		201,482	222,998
		270,961	89,601
Other operating income		150	250
OPERATING PROFIT	3	271,111	89,851
Interest receivable and similar income		8,435	5,967
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		279,546	95,818
Tax on profit on ordinary activities	4	55,228	(1,215)
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		224,318	97,033

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 profits for the current year or previous year

The notes form part of these financial statements

STRUCTURED RISK PRODUCTS LIMITED

Balance Sheet 31st December 2007

	Notes	2007 £	2006 £
FIXED ASSETS			
Tangible assets	6	2,853	6,964
Investments	7	30	30
		<u>2,883</u>	<u>6,994</u>
CURRENT ASSETS			
Debtors amounts falling due within one year	8	14,713	46,759
Debtors amounts falling due after more than one year	8	67,869	-
Cash at bank		<u>246,051</u>	<u>213,347</u>
		328,633	260,106
CREDITORS			
Amounts falling due within one year	9	<u>79,689</u>	<u>25,867</u>
NET CURRENT ASSETS		<u>248,944</u>	<u>234,239</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>251,827</u>	<u>241,233</u>
CAPITAL AND RESERVES			
Called up share capital	11	100	100
Profit and loss account	12	<u>251,727</u>	<u>241,133</u>
SHAREHOLDERS' FUNDS	16	<u>251,827</u>	<u>241,233</u>

The financial statements were approved by the director on

7/3/2008

and were signed by



N S R Edwards - Director

The notes form part of these financial statements

STRUCTURED RISK PRODUCTS LIMITED

Cash Flow Statement for the year ended 31st December 2007

	Notes	2007 £	2006 £
Net cash inflow from operating activities	1	240,925	144,238
Returns on investments and servicing of finance	2	8,435	5,967
Taxation		(1,002)	1,799
Capital expenditure	2	(974)	(1,605)
Equity dividends paid		(213,724)	(147,202)
		33,660	3,197
Financing	2	(956)	287
Increase in cash in the period		32,704	3,484
<hr/>			
Reconciliation of net cash flow to movement in net funds	3		
Increase in cash in the period		32,704	3,484
Change in net funds resulting from cash flows		32,704	3,484
Movement in net funds in the period		32,704	3,484
Net funds at 1st January		213,347	209,863
Net funds at 31st December		246,051	213,347

The notes form part of these financial statements

STRUCTURED RISK PRODUCTS LIMITED

Notes to the Cash Flow Statement for the year ended 31st December 2007

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

	2007 £	2006 £
Operating profit	271,111	89,851
Depreciation charges	5,086	7,283
(Increase)/Decrease in debtors	(36,605)	34,193
Increase in creditors	1,333	12,911
Net cash inflow from operating activities	240,925	144,238

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

	2007 £	2006 £
Returns on investments and servicing of finance		
Interest received	8,435	5,967
Net cash inflow for returns on investments and servicing of finance	8,435	5,967
 Capital expenditure		
Purchase of tangible fixed assets	(974)	(1,605)
Net cash outflow for capital expenditure	(974)	(1,605)
 Financing		
Amount introduced by directors	-	287
Amount withdrawn by directors	(956)	-
Net cash (outflow)/inflow from financing	(956)	287

3 ANALYSIS OF CHANGES IN NET FUNDS

	At 1 1 07 £	Cash flow £	At 31 12 07 £
Net cash			
Cash at bank	213,347	32,704	246,051
	<u>213,347</u>	<u>32,704</u>	<u>246,051</u>
 Total	 <u>213,347</u>	 <u>32,704</u>	 <u>246,051</u>

The notes form part of these financial statements

STRUCTURED RISK PRODUCTS LIMITED

Notes to the Financial Statements for the year ended 31st December 2007

1 ACCOUNTING POLICIES

Accounting convention

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

Exemption from preparing consolidated financial statements

The financial statements contain information about Structured Risk Products Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 248 of the Companies Act 1985 from the requirements to prepare consolidated financial statements

Turnover

Commissions and transaction fees receivable are taken to credit in the period in which invoices rendered are due for payment. In all cases this is irrespective of the inception date or period of the insurance policies or investment. Alterations in brokerage income arising from premium adjustments are taken into account as and when these are made.

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	- 20% on cost
Computer equipment	- 33% on cost

Deferred tax

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

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease

Pensions

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. Contributions payable for the year are charged in the profit and loss account

2 STAFF COSTS

	2007	2006
	£	£
Wages and salaries	82,747	59,798
Social security costs	8,277	5,737
Other pension costs	6,944	75,485
	<u>97,968</u>	<u>141,020</u>
The average monthly number of employees during the year was as follows		
	2007	2006
Management and administration	<u>4</u>	<u>3</u>

STRUCTURED RISK PRODUCTS LIMITED

Notes to the Financial Statements - continued for the year ended 31st December 2007

3 OPERATING PROFIT

The operating profit is stated after charging

	2007	2006
	£	£
Other operating leases	21,171	21,171
Depreciation - owned assets	5,085	7,283
Auditors' remuneration	5,207	4,641
Auditors' other services	4,715	5,183
	<u>45,178</u>	<u>38,278</u>
Director's emoluments	4,510	5,001
Director's pension contributions to money purchase schemes	2,083	54,123
	<u>6,593</u>	<u>59,124</u>

The number of directors to whom retirement benefits were accruing was as follows

Money purchase schemes	<u>1</u>	<u>1</u>
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4 TAXATION

Analysis of the tax charge/(credit)

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

	2007	2006
	£	£
Current tax		
UK corporation tax	53,779	1,002
Deferred tax	1,449	(2,217)
Tax on profit on ordinary activities	<u>55,228</u>	<u>(1,215)</u>

Factors affecting the tax charge/(credit)

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

	2007	2006
	£	£
Profit on ordinary activities before tax	<u>279,546</u>	<u>95,818</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19.753% (2006 - 14.315%)	55,219	13,716
Effects of		
Depreciation in excess of capital allowances	499	571
Expenses not deductible for tax purposes	106	46
Non-corporate distributions	-	148
Utilisation of tax losses and other deductions	(2,045)	(13,479)
Current tax charge/(credit)	<u>53,779</u>	<u>1,002</u>

STRUCTURED RISK PRODUCTS LIMITED

Notes to the Financial Statements - continued for the year ended 31st December 2007

5 DIVIDENDS

	2007 £	2006 £
Ordinary shares of £1 each		
Interim	<u>213,724</u>	<u>147,202</u>

6 TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Computer equipment £	Totals £
COST			
At 1st January 2007	15,666	30,667	46,333
Additions	-	974	974
At 31st December 2007	<u>15,666</u>	<u>31,641</u>	<u>47,307</u>
DEPRECIATION			
At 1st January 2007	14,967	24,402	39,369
Charge for year	321	4,764	5,085
At 31st December 2007	<u>15,288</u>	<u>29,166</u>	<u>44,454</u>
NET BOOK VALUE			
At 31st December 2007	<u>378</u>	<u>2,475</u>	<u>2,853</u>
At 31st December 2006	<u>699</u>	<u>6,265</u>	<u>6,964</u>

7 FIXED ASSET INVESTMENTS

	Unlisted investments £
COST	
At 1st January 2007 and 31st December 2007	<u>30</u>
NET BOOK VALUE	
At 31st December 2007	<u>30</u>
At 31st December 2006	<u>30</u>

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

Equity Release Limited

Nature of business Dormant

Class of shares	% holding
Ordinary	100.00

Hamsard 2518 Limited

During 2002, the company received a 20% shareholding in Hamsard 2518 Limited as part consideration for one of its transactions. These ordinary 'A' shares are illiquid, non-marketable and considered unlikely to deliver capital or income benefits in the foreseeable future. Accordingly, they have been included in the accounts at their nominal value of £20. Lloyds TSB Bank plc holds a charge over this investment.

STRUCTURED RISK PRODUCTS LIMITED

Notes to the Financial Statements - continued for the year ended 31st December 2007

8 DEBTORS

	2007 £	2006 £
Amounts falling due within one year		
Other debtors	1,585	-
Directors' current accounts	669	-
Deferred tax asset	768	2,217
Accrued income	8,706	35,312
Prepayments	2,985	9,230
	<u>14,713</u>	<u>46,759</u>
Amounts falling due after more than one year		
Loan notes receivable	<u>67,869</u>	<u>-</u>
Aggregate amounts	<u>82,582</u>	<u>46,759</u>

Deferred tax asset

	2007 £	2006 £
Fixed asset timing differences	768	249
Losses and other deductions	-	1,968
	<u>768</u>	<u>2,217</u>

The loan notes are due for redemption in 2016

9 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2007 £	2006 £
Tax	53,779	1,002
Social security and other taxes	8,319	-
Other creditors	2,950	138
Directors' current accounts	-	287
Accrued expenses	14,641	24,440
	<u>79,689</u>	<u>25,867</u>

10 OPERATING LEASE COMMITMENTS

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

		Land and buildings
	2007 £	2006 £
Expiring		
Within one year	3,352	-
Between one and five years	-	24,402
	<u>3,352</u>	<u>24,402</u>

STRUCTURED RISK PRODUCTS LIMITED

Notes to the Financial Statements - continued for the year ended 31st December 2007

11 CALLED UP SHARE CAPITAL

Authorised, allotted, issued and fully paid Number	Class	Nominal value £1	2007 £ <u>100</u>	2006 £ <u>100</u>
100	Ordinary			

12 RESERVES

	Profit and loss account £
At 1st January 2007	241,133
Profit for the year	224,318
Dividends	(213,724)
At 31st December 2007	<u>251,727</u>

13 PENSION COMMITMENTS

The company operates a defined contribution pension scheme in respect of the director and certain employees. Contributions of £6,944 were made in 2007 (2006 - £75,485). There were no outstanding or prepaid contributions at the balance sheet date. There is no financial commitment in respect of pension costs.

14 TRANSACTIONS WITH DIRECTOR

The following loan to directors subsisted during the years ended 31st December 2007 and 31st December 2006

	2007 £	2006 £
N S R Edwards		
Balance outstanding at start of year	-	-
Balance outstanding at end of year	669	-
Maximum balance outstanding during year	<u>669</u>	<u>-</u>

The above loan was repaid in full in February 2008.

15 ULTIMATE CONTROLLING PARTY

The company is beneficially owned and controlled by N S R Edwards, the director.

16 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2007 £	2006 £
Profit for the financial year	224,318	97,033
Dividends	(213,724)	(147,202)
Net addition/(reduction) to shareholders' funds	<u>10,594</u>	<u>(50,169)</u>
Opening shareholders' funds	241,233	291,402
Closing shareholders' funds	<u>251,827</u>	<u>241,233</u>