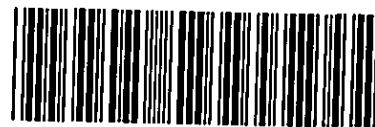


SVS SECURITIES PLC
REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008

WEDNESDAY



AH3GAA71

A23

27/05/2009

20

COMPANIES HOUSE

SVS SECURITIES PLC

**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008**

	Page
Company Information	1
Report of the Directors	2
Report of the Independent Auditors	4
Profit and Loss Account	5
Balance Sheet	6
Cash Flow Statement	7
Notes to the Cash Flow Statement	8
Notes to the Financial Statements	10

SVS SECURITIES PLC
COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2008

DIRECTORS:	Mr K Virk Mr P Pooley Mrs T Wishart
SECRETARY:	Mr K Virk
REGISTERED OFFICE:	The Ground Floor No. 2 London Wall Buildings London Wall LONDON EC2M 5PP
REGISTERED NUMBER:	04402606 (England and Wales)
AUDITORS:	The KBSP Partnership Chartered Accountants Registered Auditors Harben House Harben Parade Finchley Road London NW3 6LH
BANKERS:	Barclays Bank plc 75 King Street London W6 9HY

SVS SECURITIES PLC
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2008

The directors present their report with the financial statements of the company for the year ended 31 December 2008.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of stockbrokers, providers of corporate finance and investments trading.

REVIEW OF BUSINESS

In spite of the uncertainty regarding the economic outlook for 2009 the directors believe the Company is well placed to continue with its upward trend of profits despite the one-off loss made in 2008. The directors have taken drastic measures such as redundancies and cutting operating costs, so as to realign the Company with current market conditions. The first few months of 2009 show that the Company is now trading profitably and we remain cautiously optimistic that this will remain so for the remainder of the year.

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2008.

DIRECTORS

The directors during the year under review were:

Mr K Virk	
Mr R J Kretowicz	- resigned 31.1.2008
Mr P Pooley	- appointed 13.11.2008
Mrs T Wishart	
Mr A E Montaut	- resigned 31.1.2008

The beneficial interests of the directors holding office on 31 December 2008 in the issued share capital of the company were as follows:

	31.12.08	1.1.08 or date of appointment if later
Ordinary £.001 shares		
Mr K Virk	23,658,000	23,658,000
Mr P Pooley	17,342,000	17,342,000
Mrs T Wishart	50,000	50,000

COMPANY'S POLICY ON PAYMENT OF CREDITORS

It continues to be the Company's policy that the Company and its individual subsidiary companies are responsible for negotiating terms and conditions under which suppliers operate. Once agreed, payments to suppliers are made in accordance with those terms and conditions, subject always to the supplier having complied with them. That policy will continue for the financial year ending 31 December 2009. For the financial year ended 31 December 2008, the Company paid its suppliers on average within 68 days (2007: 63 days) of date of invoice.

FINANCIAL INSTRUMENTS

Information on financial instruments is set out in note 18 to the financial statements.

SVS SECURITIES PLC

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

ON BEHALF OF THE BOARD:



.....
Mr P Pooley - Director

Date: 22 April 2009

**REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF
SVS SECURITIES PLC**

We have audited the financial statements of SVS Securities PLC for the year ended 31 December 2008 on pages five to twenty two. 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 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

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 three.

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 31 December 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 Report of the Directors is consistent with the financial statements.



The KBSP Partnership
Chartered Accountants
Registered Auditors
Harben House
Harben Parade
Finchley Road
London NW3 6LH

Date: 22 April 2009

SVS SECURITIES PLC
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2008

	Notes	2008 £	2007 £
TURNOVER	2	3,157,314	5,388,044
Cost of sales		<u>3,429,680</u>	<u>3,203,443</u>
GROSS (LOSS)/PROFIT		(272,366)	2,184,601
Administrative expenses		<u>1,823,928</u>	<u>1,596,323</u>
		(2,096,294)	588,278
Other operating income		<u>460,000</u>	-
OPERATING (LOSS)/PROFIT	4	(1,636,294)	588,278
Interest receivable and similar income		<u>8,546</u>	<u>22,288</u>
		(1,627,748)	610,566
Interest payable and similar charges	5	<u>39,629</u>	<u>1,743</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(1,667,377)	608,823
Tax on (loss)/profit on ordinary activities	6	<u>(343,297)</u>	<u>186,925</u>
(LOSS)/PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		<u>(1,324,080)</u>	<u>421,898</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 loss for the current year and the profit for the previous year.

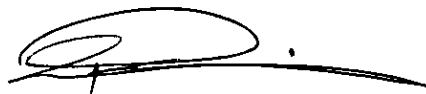
The notes form part of these financial statements

SVS SECURITIES PLC

BALANCE SHEET
31 DECEMBER 2008

	Notes	2008 £	2007 £
FIXED ASSETS			
Tangible assets	8	667,467	252,227
Investments	9	<u>107</u>	<u>103</u>
		667,574	252,330
CURRENT ASSETS			
Stocks	10	-	360,341
Debtors	11	1,141,317	909,851
Investments	12	872,110	418,768
Cash at bank and in hand		<u>10,177</u>	<u>209,174</u>
		2,023,604	1,898,134
CREDITORS			
Amounts falling due within one year	13	<u>1,817,681</u>	<u>908,391</u>
NET CURRENT ASSETS		<u>205,923</u>	<u>989,743</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		873,497	1,242,073
CREDITORS			
Amounts falling due after more than one year	14	(199,584)	-
PROVISIONS FOR LIABILITIES	19	<u>-</u>	<u>(23,384)</u>
NET ASSETS		<u>673,913</u>	<u>1,218,689</u>
CAPITAL AND RESERVES			
Called up share capital	20	60,065	53,500
Share premium	21	1,424,168	651,429
Profit and loss account	21	<u>(810,320)</u>	<u>513,760</u>
SHAREHOLDERS' FUNDS	24	<u>673,913</u>	<u>1,218,689</u>

The financial statements were approved by the Board of Directors on 22 April 2009 and were signed on its behalf by:



.....
Mr P Pooley - Director

The notes form part of these financial statements

SVS SECURITIES PLC
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2008

	Notes	2008 £	2007 £
Net cash (outflow)/inflow from operating activities	1	(1,198,731)	41,840
Returns on investments and servicing of finance	2	(9,083)	20,545
Taxation		(32,854)	(197,233)
Capital expenditure and financial investment	2	(521,556)	(133,061)
Equity dividends paid		-	(390,503)
		(1,762,224)	(658,412)
Financing	2	<u>1,285,391</u>	<u>635,982</u>
Decrease in cash in the period		<u>(476,833)</u>	<u>(22,430)</u>
Reconciliation of net cash flow to movement in net funds	3		
Decrease in cash in the period		(476,833)	(22,430)
Cash outflow/(inflow) from increase/(decrease) in liquid resources		453,342	(3,072)
Cash (inflow)/outflow from (increase)/decrease in debt and lease financing		<u>(340,218)</u>	<u>17,796</u>
Change in net funds resulting from cash flows		<u>(363,709)</u>	<u>(7,706)</u>
Movement in net funds in the period		<u>(363,709)</u>	<u>(7,706)</u>
Net funds at 1 January		<u>627,942</u>	<u>635,648</u>
Net funds at 31 December		<u>264,233</u>	<u>627,942</u>

The notes form part of these financial statements

SVS SECURITIES PLC

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2008**

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

	2008	2007
	£	£
Operating (loss)/profit	(1,636,294)	588,278
Depreciation charges	106,312	84,626
(Increase)/Decrease in current asset investments	(453,342)	3,072
Decrease/(Increase) in stocks	360,341	(360,341)
Increase in debtors	(100,681)	(183,130)
Increase/(Decrease) in creditors	524,933	(90,665)
Net cash (outflow)/inflow from operating activities	<u>(1,198,731)</u>	<u>41,840</u>

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

	2008	2007
	£	£
Returns on investments and servicing of finance		
Interest received	8,546	22,288
Interest paid	(16,146)	(1,743)
Interest element of hire purchase payments	<u>(1,483)</u>	<u>-</u>
Net cash (outflow)/inflow for returns on investments and servicing of finance	<u>(9,083)</u>	<u>20,545</u>
 Capital expenditure and financial investment		
Purchase of tangible fixed assets	(521,552)	(133,061)
Purchase of fixed asset investments	<u>(4)</u>	<u>-</u>
Net cash outflow for capital expenditure and financial investment	<u>(521,556)</u>	<u>(133,061)</u>
 Financing		
New loans in year	425,375	-
Loan repayments in year	(43,918)	(18,947)
Capital repayments in year	(41,239)	-
Amount introduced by directors	165,869	-
Share issue	<u>779,304</u>	<u>654,929</u>
Net cash inflow from financing	<u>1,285,391</u>	<u>635,982</u>

The notes form part of these financial statements

SVS SECURITIES PLC

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2008**

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.1.08 £	Cash flow £	At 31.12.08 £
Net cash:			
Cash at bank and in hand	209,174	(198,997)	10,177
Bank overdraft	<u>-</u>	<u>(277,836)</u>	<u>(277,836)</u>
	<u>209,174</u>	<u>(476,833)</u>	<u>(267,659)</u>
 Liquid resources:			
Current asset investments	<u>418,768</u>	<u>453,342</u>	<u>872,110</u>
	<u>418,768</u>	<u>453,342</u>	<u>872,110</u>
 Debt:			
Hire purchase	-	(183,817)	(183,817)
Debts falling due within one year	-	(65,616)	(65,616)
Debts falling due after one year	<u>-</u>	<u>(90,785)</u>	<u>(90,785)</u>
	<u>-</u>	<u>(340,218)</u>	<u>(340,218)</u>
 Total	<u>627,942</u>	<u>(363,709)</u>	<u>264,233</u>

The notes form part of these financial statements

SVS SECURITIES PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

1. ACCOUNTING POLICIES

Basis of preparation

The financial statements are prepared under the historic cost convention except for measurement at fair value of investments.

Exemption from preparing consolidated financial statements

Group financial statements have not been prepared on the grounds that the activities of the subsidiaries are not material.

Turnover and revenue recognition

Turnover represents commissions earned on dealings on behalf of clients on a matched principal basis, margins on the company's own dealings as principal and fees and other consideration received and receivable for corporate finance services rendered. Turnover excludes value added tax.

Revenue is measured at the fair value of consideration received or receivable. Revenue is recognised to the extent that economic benefits will accrue to the company.

Tangible fixed assets

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

Office Equipment - Straight line over 5 years

Settlements System - Straight line over 3 years

Website Development - Straight line over 4 years when operational

The website has been capitalised as it is income generating. Additions during the year represent an online equity and derivatives dealing facility which was not yet operational at the year-end and which has consequently not been depreciated.

Deferred tax

Deferred tax is recognised, where material, in respect of all timing differences that have originated but not reversed at the balance sheet date except that the recognition of deferred tax assets is limited to the extent that the Company anticipates making sufficient taxable profits in future to absorb the reversal of the underlying timing differences. Deferred taxation balances are not discounted.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts and finance leases are depreciated over their estimated useful lives.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

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

Going concern assumption

The directors' view of the outlook of the business is set out under "Review of Business" in the Report of the Directors on page 2.

The directors have considered creditors due for payment within 12 months from the date of approval of these financial statements (the "going concern period"). The Company's largest creditor is HM Revenue & Customs with whom the Directors have reached agreement over a payment timetable.

The directors have considered the Company's forecasts and projections, trading results since the year end and general improvements in trading performance arising from cost cutting measures. These factors lead them to conclude that, notwithstanding the trading loss incurred, it is appropriate to adopt the going concern assumption in these financial statements.

SVS SECURITIES PLC

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2008

1. ACCOUNTING POLICIES - continued

Valuation of investments

Investments are held as trading financial assets at fair value in accordance with Financial Reporting Standard 26.

- a) Listed investments are initially recognised on purchase at trade date and measured at fair value. Subsequent to initial recognition, all listed investments are measured at market value.
- b) Unlisted investments are valued by the directors at fair value and where fair values cannot be measured, they are valued at cost less impairment. When a valuation is undertaken consideration is given to the most recent information available, including a competent persons report and forecasts of future performance.

Realisable value in the short term could differ materially from the amount at which those investments are included in the financial statements.

- c) Changes in the fair value of all investments held at fair value are accounted for through the profit and loss account.
- d) Investments are de-recognised at the trade date of disposal. On disposal, realised gains and losses are recognised in the profit and loss account.

Financial instruments

Financial assets and financial liabilities are recognised on the balance sheet when the Company becomes a party to the contractual provisions of the instrument.

Investments are classified as either held-for-trading or available for sale at initial recognition and this designation is re-evaluated at each balance sheet date. At the balance sheet date all such investments are classified as available for sale. Investments are initially measured at cost and subsequently on reporting dates at fair value. Gains and losses arising from changes in fair value are recognised directly in the net profit or loss for the period.

Trade debtors and other receivables are measured at cost and a provision is established when there is objective evidence that the Company will not be able to collect all amounts due. The amount of any provision is recognised in the profit and loss account.

Cash at bank and in hand comprises cash held by the Company and short term bank deposits.

Trade creditors and other payables are measured at cost. Financial liabilities such as interest bearing bank loans, overdrafts and other loans are recorded at the proceeds received, net of direct issue costs. Finance costs are accounted for on an accruals basis in the profit and loss account using the effective interest rate.

2. TURNOVER

The turnover and loss (2007 - profit) before taxation are attributable to the two principal activities of the Company.

	2008 £	2007 £
Commissions and margins on dealings	1,590,434	3,609,218
Corporate finance	<u>1,566,880</u>	<u>1,778,826</u>
	<u>3,157,314</u>	<u>5,388,044</u>

All turnover arose in the United Kingdom.

SVS SECURITIES PLC

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2008**

3. STAFF COSTS

	2008	2007
	£	£
Wages and salaries	2,840,045	2,816,658
Social security costs	323,109	326,082
	<u>3,163,154</u>	<u>3,142,740</u>

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

	2008	2007
Directors	2	3
Corporate broking and equity trading	27	23
Corporate financing	8	7
Compliance and risk assessment	11	9
	<u>48</u>	<u>42</u>

In addition to staff costs stated above £273,100 (2007: £Nil) have been capitalised in website development expenditure which represents the staff costs of individuals working exclusively to develop the Company's online dealing website.

4. OPERATING (LOSS)/PROFIT

The operating loss (2007 - operating profit) is stated after charging/(crediting):

	2008	2007
	£	£
Hire of plant and machinery	23,551	15,348
Depreciation - owned assets	106,312	84,626
Auditors remuneration – audit services	17,750	10,850
– non audit services	10,940	16,486
Operating leases: land and buildings	74,700	74,700
Revaluation of current asset investments on fair value basis	(417,500)	-
Directors' emoluments	<u>308,490</u>	<u>269,279</u>

Information regarding the highest paid director is as follows:

	2008	2007
	£	£
Emoluments etc	<u>159,192</u>	<u>105,277</u>

5. INTEREST PAYABLE AND SIMILAR CHARGES

	2008	2007
	£	£
Bank interest	2,920	560
Bank loan interest	9,616	350
Interest on late payment	25,610	833
Hire purchase	1,483	-
	<u>39,629</u>	<u>1,743</u>

SVS SECURITIES PLC

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2008**

6. TAXATION

Analysis of the tax (credit)/charge

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

	2008	2007
	£	£
Current tax:		
UK corporation tax	(203,993)	189,128
Deferred tax	(139,304)	<u>(2,203)</u>
Tax on (loss)/profit on ordinary activities	<u>(343,297)</u>	<u>186,925</u>

Factors affecting the tax (credit)/charge

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

	2008	2007
	£	£
(Loss)/profit on ordinary activities before tax	<u>(1,667,377)</u>	<u>608,823</u>
(Loss)/profit on ordinary activities multiplied by the effective rate of corporation tax in the UK	(500,213)	182,647
Effects of:		
Expenses disallowed for tax	7,928	10,666
Excess of capital allowances over depreciation	(24,722)	533
Income disallowed for tax	(12,750)	-
Tax losses carried forward as a result of loss for the year	325,764	-
Group relief	-	<u>(4,718)</u>
Current tax (credit)/charge	<u>(203,993)</u>	<u>189,128</u>

Factors that may affect future tax charges

There are taxable losses of £1,085,431 (2007: £Nil) that will be carried forward for relief against future taxable income. A deferred tax asset of £115,920 has been recognised in respect of part of these taxable losses to be offset against the forecast trading profit for the year ending 31 December 2009.

7. DIVIDENDS

	2008	2007
	£	£
Ordinary shares of £.001 each		
Interim	<u>-</u>	<u>390,503</u>

SVS SECURITIES PLC

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2008**

8. TANGIBLE FIXED ASSETS

	Office equipment £	Settlements system £	Website development £	Totals £
COST				
At 1 January 2008	212,593	115,059	91,946	419,598
Additions	<u>23,016</u>	<u>-</u>	<u>498,536</u>	<u>521,552</u>
At 31 December 2008	<u>235,609</u>	<u>115,059</u>	<u>590,482</u>	<u>941,150</u>
DEPRECIATION				
At 1 January 2008	87,043	50,479	29,849	167,371
Charge for year	<u>44,955</u>	<u>37,414</u>	<u>23,943</u>	<u>106,312</u>
At 31 December 2008	<u>131,998</u>	<u>87,893</u>	<u>53,792</u>	<u>273,683</u>
NET BOOK VALUE				
At 31 December 2008	<u>103,611</u>	<u>27,166</u>	<u>536,690</u>	<u>667,467</u>
At 31 December 2007	<u>125,550</u>	<u>64,580</u>	<u>62,097</u>	<u>252,227</u>

The net book value of tangible fixed assets includes £146,699 (2007: £Nil) in respect of assets held under hire purchase contracts.

9. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
COST	
At 1 January 2008	103
Additions	<u>4</u>
At 31 December 2008	<u>107</u>
NET BOOK VALUE	
At 31 December 2008	<u>107</u>
At 31 December 2007	<u>103</u>

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

SVS (Nominees) Limited

Nature of business: Nominee company

	%		
	holding		
Class of shares:	100.00		
Ordinary		2008	2007
		£	£
Aggregate capital and reserves		<u>1</u>	<u>1</u>

SVS SECURITIES PLC

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2008**

9. FIXED ASSET INVESTMENTS - continued

SVS Accelerator Investments Limited

Nature of business: Investment underwriter

	% holding	2008	2007
Class of shares:		£	£
Ordinary	100.00	(21,462)	(7,325)
Aggregate capital and reserves		<u>(14,137)</u>	<u>(7,458)</u>
Loss for the year			

SVS Special Situations Investment Fund Limited

Nature of business: Investment Fund

	% holding	2008	2007
Class of shares:		£	£
Ordinary	100.00	(26,723)	(6,727)
Aggregate capital and reserves		<u>(19,996)</u>	<u>(6,729)</u>
Loss for the year			

SVS CFDS Limited

Nature of business: Dormant

	% holding
Class of shares:	
Ordinary	100.00

SVS Capital Markets Limited

Nature of business: Dormant

	% holding
Class of shares:	
Ordinary	100.00

None of the subsidiary undertakings generated any income during the year ended 31 December 2008.

10. STOCKS

	2008	2007
	£	£
Work-in-progress	<u>-</u>	<u>360,341</u>

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2008	2007
	£	£
Trade debtors	280,436	513,739
Amounts owed by group undertakings	40,014	2,382
Other debtors	63,372	48,564
Deferred tax	115,920	-
Tax	14,865	-
Prepayments and accrued income	<u>626,710</u>	<u>345,166</u>
	<u>1,141,317</u>	<u>909,851</u>

Information on deferred tax asset is set out in note 6 to the financial statements.

SVS SECURITIES PLC

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2008**

12. CURRENT ASSET INVESTMENTS

	2008	2007
	£	£
Listed investments	492,110	418,768
Unlisted investments	380,000	-
	<u>872,110</u>	<u>418,768</u>

Listed Investments include an investment of £86,420 (2007: £60,992) in Trafalgar New Homes PLC, a company in which director K Virk was a director for part of the year.

Unlisted investments represent an investment in London Wall Mining Limited, a company in which director Philip Pooley is a shareholder and a director.

The directors consider the carrying amount of investments described above as approximating to their fair value at the balance sheet date.

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2008	2007
	£	£
Bank loans and overdrafts (see note 15)	343,452	-
Hire purchase contracts (see note 16)	75,018	-
Trade creditors	318,765	316,113
Tax	-	221,982
PAYE and National Insurance	839,428	272,697
VAT	17,076	6,568
Other creditors	12,690	-
Directors' current accounts	165,869	-
Accrued expenses	45,383	91,031
	<u>1,817,681</u>	<u>908,391</u>

14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2008	2007
	£	£
Bank loans (see note 15)	90,785	-
Hire purchase contracts (see note 16)	108,799	-
	<u>199,584</u>	<u>-</u>

15. LOANS

An analysis of the maturity of loans is given below:

	2008	2007
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	277,836	-
Bank loans	65,616	-
	<u>343,452</u>	<u>-</u>

SVS SECURITIES PLC

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2008**

15. LOANS - continued

	2008	2007
	£	£
Amounts falling due between one and two years:		
Bank loans - 1-2 years	<u>65,616</u>	<u>-</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>25,169</u>	<u>-</u>

16. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES

	2008	2007
	£	£
		Hire purchase contracts
Gross obligations repayable:		
Within one year	93,206	-
Between one and five years	<u>135,839</u>	<u>-</u>
	<u>229,045</u>	<u>-</u>
Finance charges repayable:		
Within one year	18,188	-
Between one and five years	<u>27,040</u>	<u>-</u>
	<u>45,228</u>	<u>-</u>
Net obligations repayable:		
Within one year	75,018	-
Between one and five years	<u>108,799</u>	<u>-</u>
	<u>183,817</u>	<u>-</u>

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

	Land and buildings		Other operating leases	
	2008	2007	2008	2007
	£	£	£	£
Expiring:				
Within one year	74,700	-	504	-
Between one and five years	<u>-</u>	<u>74,700</u>	<u>3,412</u>	<u>-</u>
	<u>74,700</u>	<u>74,700</u>	<u>3,916</u>	<u>-</u>

SVS SECURITIES PLC

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2008**

17. SECURED DEBTS

The following secured debts are included within creditors:

	2008	2007
	£	£
Bank overdraft	277,836	-
Bank loans	156,401	-
Hire purchase contracts	<u>183,817</u>	-
	<u>618,054</u>	-

The overdraft, loans and hire purchase contracts of the Company are secured by personal guarantees of director K Virk limited to the value of £370,000 and joint personal guarantees of directors P Pooley and K Virk limited to the value of £250,000. The bank also holds a second charge over a property in which K Virk has an interest. There are also fixed and floating charges over all the assets in respect of bank borrowings.

SVS SECURITIES PLC

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2008**

18. FINANCIAL INSTRUMENTS

The Company's financial instruments comprise:

- Cash, short term debtors and creditors which arise from investment and operational activities
- Bank loans, overdrafts and hire purchase contracts
- Listed and unlisted investments held within portfolio

The Company's principal risks are:

- Market price risk
- Credit risk
- Liquidity risk
- Currency risk
- Interest rate risk

Market price risk

Market price risk arises mainly from uncertainty about future prices of investments held in the Company's portfolio. It represents the potential loss the Company might suffer through holding market positions in the face of price movements. The directors constantly monitor the price of listed investments held by the Company on a real-time basis while unlisted investments are constantly monitored on their carrying values.

Credit risk

The management monitor credit risk closely and consider that its current policies and procedures meets its objectives of managing exposure to credit risk. The Company has no significant concentrations of credit risk.

Liquidity risk

Liquidity risk arises as the investment portfolio will comprise some unlisted securities, which represent a potential delay for realisation. This risk is managed by careful cash flow planning and liaising with creditors to meet payments in the foreseeable future.

Currency risk

Foreign currency risk arises if the income and capital value of investments are affected by exchange rate movements but since all of the Company's investments and transactions are receivable or payable in sterling, the Company is not exposed to any currency risk.

Interest rate risk

Interest rate risk arises in respect of the Company's bank loans and certain tax liabilities. As at 31 December 2008, the Company's loans carried a variable rate of interest of 2.750% over Barclays Base Rate. The directors do not consider that the Company's trading performance is likely to be materially affected by the interest rate fluctuations within the next twelve months.

19. PROVISIONS FOR LIABILITIES

	2008	2007
	£	£
Deferred tax	-	<u>23,384</u>

SVS SECURITIES PLC

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2008**

19. PROVISIONS FOR LIABILITIES - continued

	Deferred tax £
Balance at 1 January 2008	23,384
Provision written back	(23,384)
Balance at 31 December 2008	-

20. CALLED UP SHARE CAPITAL

Authorised:		Nominal value:	2008 £	2007 £
Number:	Class:			
1,000,000,000	Ordinary	£.001	<u>1,000,000</u>	<u>1,000,000</u>
Allotted and issued:		Nominal value:	2008 £	2007 £
Number:	Class:			
60,064,500	Ordinary	£.001	<u>60,065</u>	<u>53,500</u>
(2007 – 53,500,000)				

In September 2,472,500 Ordinary shares of £.001 each were allotted as fully paid at a premium of £0.199 per share.
In December 3,750,000 Ordinary shares of £.001 each were allotted as fully paid at a premium of £0.079 per share
and 342,000 were allotted at a premium of £0.099 per share.

21. RESERVES

	Profit and loss account £	Share premium £	Totals £
At 1 January 2008	513,760	651,429	1,165,189
Deficit for the year	(1,324,080)		(1,324,080)
Issue of share capital	-	822,136	822,136
Less: expenses on share issue	-	(49,397)	(49,397)
At 31 December 2008	<u>(810,320)</u>	<u>1,424,168</u>	<u>613,848</u>

22. TRANSACTIONS WITH DIRECTORS

The following loans to directors subsisted during the years ended 31 December 2008 and 31 December 2007:

	2008 £	2007 £
Mr K Virk		
Balance outstanding at start of year	-	-
Balance outstanding at end of year	-	-
Maximum balance outstanding during year	<u>7,411</u>	<u>220,354</u>

SVS SECURITIES PLC

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2008**

22. TRANSACTIONS WITH DIRECTORS - continued

Mr P Pooley

Balance outstanding at start of year	-	-
Balance outstanding at end of year	-	-
Maximum balance outstanding during year	<u>18,064</u>	<u>-</u>

23. RELATED PARTY DISCLOSURES

On 7 July 2008 the Company acquired the entire issued share capital of SVS CFDS Limited from K Virk and P Pooley, The directors of the Company, for a total consideration of £2.

On 9 July 2008 the Company acquired the entire issued share capital of SVS Capital Markets Limited from K Virk and P Pooley, The directors of the Company, for a total consideration of £2.

During the year, P Pooley transferred part of his interest in London Wall Mining Limited to SVS Securities PLC for nil consideration. P Pooley remains a 35% shareholder and a director of London Wall Mining Limited. Also SVS Securities PLC entered a contract to provide corporate broking and financing services to London Wall Mining Limited to a value of £100,000 (2007: £Nil) which was due to the Company at the year-end.

During the year, K Virk transferred all his interest in Trafalgar New Homes PLC to SVS Securities PLC for a consideration of £42,500. The director subsequently waived his entitlement to repayment of £42,500 of his loan account. K Virk served as the director of Trafalgar New Homes PLC for part of the year. Also SVS Securities PLC entered a contract to provide corporate broking and financing services to Trafalgar New Homes PLC to a value of £107,336 (2007: £Nil). At the year end £38,946 (2007:£6,609) was due from Trafalgar New Homes Plc.

24. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2008	2007
	£	£
(Loss)/Profit for the financial year	(1,324,080)	421,898
Dividends	<u>-</u>	<u>(390,503)</u>
	(1,324,080)	31,395
Issue of share capital	<u>779,304</u>	<u>654,929</u>
Net (reduction)/addition to shareholders' funds	(544,776)	686,324
Opening shareholders' funds	<u>1,218,689</u>	<u>532,365</u>
Closing shareholders' funds	<u>673,913</u>	<u>1,218,689</u>

25. CONTROL

The Company was controlled by K Virk throughout the previous year, by virtue of his beneficial interest in 23,658,000 ordinary shares together with the holding of his wife's 4,500,000 resulting in control of 52.63% of the issued share capital. However, following the issues of further shares in December 2008 (see note 20) no individual shareholder had overall control.

26. CLIENT MONEY

At the year end the Company held £319,289 (2007: £386,092) of client monies in a designated client account. As these are client monies the client account balance is not shown on the balance sheet.