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SVS SECURITIES PLC
REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009

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SVS SECURITIES PLC

**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009**

	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 2009

DIRECTORS:

Mr K Virk
Mr P Pooley
Mrs T Wishart
Mr P I Fenichel

SECRETARY:

Mr S A Lemonides

REGISTERED OFFICE:

5th Floor
21 Wilson Street
LONDON
EC2M 2SN

REGISTERED NUMBER:

04402606 (England and Wales)

AUDITORS:

The KBSP Partnership
Chartered Accountants
Statutory 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 2009**

The directors present their report with the financial statements of the company for the year ended 31 December 2009

PRINCIPAL ACTIVITY

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

REVIEW OF BUSINESS

In spite of the uncertainty regarding the economic outlook for 2010 the directors believe the Company is well placed to continue with its upward trend of profits despite the one-off loss made in 2008. This was the first year we successfully traded in emissions which was later followed by us obtaining membership of Blue Next Exchange. The directors have taken drastic measures such as redundancies and cutting operating costs, so as to realign the Company with current market conditions. This has resulted in the company trading profitably in 2009 and furthermore the first few months of 2010 show that the Company is also showing profitably on a month by month basis 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 2009

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the note 23 to the financial statements

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2009 to the date of this report

Mr K Virk
Mr P Pooley
Mrs T Wishart

Other changes in directors holding office are as follows:

Mr P I Fenichel - appointed 21 October 2009

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 2010. For the financial year ended 31 December 2009, the Company paid its suppliers on average within 59 days (2008: 68 days) of date of invoice.

FINANCIAL INSTRUMENTS

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

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

SVS SECURITIES PLC
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2009

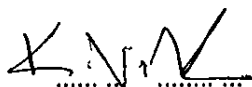
STATEMENT OF DIRECTORS' RESPONSIBILITIES - continued

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.

ON BEHALF OF THE BOARD:



Mr K Virk - Director

Date 22/4/2010

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 2009 on pages five to twenty one. 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 Sections 495 and 496 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 pages two and 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 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.

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 2009 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.

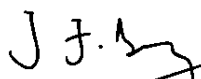
Opinion on other matter prescribed by the Companies Act 2006

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.

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.



TREVOR BERKLEY (Senior Statutory Auditor)
for and on behalf of The KBSP Partnership
Chartered Accountants
Statutory Auditors
Harben House
Harben Parade
Finchley Road
London NW3 6LH

Date: 23 April 2010

SVS SECURITIES PLC

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2009

	Notes	2009 £	Restated 2008 £
TURNOVER	2	9,096,500	4,537,097
Cost of sales		<u>6,539,811</u>	<u>4,809,464</u>
GROSS PROFIT/(LOSS)		2,556,689	(272,367)
Administrative expenses		<u>2,033,989</u>	<u>1,823,927</u>
		522,700	(2,096,294)
Other operating income		<u>-</u>	<u>460,000</u>
OPERATING PROFIT/(LOSS)	4	522,700	(1,636,294)
Interest receivable and similar income	5	<u>2,610</u>	<u>8,546</u>
		525,310	(1,627,748)
Interest payable and similar charges	6	<u>73,362</u>	<u>39,629</u>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		451,948	(1,667,377)
Tax on profit/(loss) on ordinary activities	7	<u>5,574</u>	<u>(343,297)</u>
PROFIT/(LOSS) FOR THE FINANCIAL YEAR AFTER TAXATION		<u>446,374</u>	<u>(1,324,080)</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

SVS SECURITIES PLC

BALANCE SHEET
31 DECEMBER 2009

	Notes	2009 £	2008 £
FIXED ASSETS			
Tangible assets	9	753,348	667,467
Investments	10	<u>105</u>	<u>107</u>
		753,453	667,574
CURRENT ASSETS			
Debtors	11	885,119	1,141,317
Investments	12	489,343	872,110
Cash at bank and in hand		<u>898,589</u>	<u>10,177</u>
		2,273,051	2,023,604
CREDITORS			
Amounts falling due within one year	13	<u>1,392,063</u>	<u>1,817,681</u>
NET CURRENT ASSETS		880,988	205,923
TOTAL ASSETS LESS CURRENT LIABILITIES		1,634,441	873,497
CREDITORS			
Amounts falling due after more than one year	14	<u>514,154</u>	<u>199,584</u>
NET ASSETS		1,120,287	673,913
CAPITAL AND RESERVES			
Called up share capital	19	60,065	60,065
Share premium	20	1,424,168	1,424,168
Profit and loss account	20	<u>(363,946)</u>	<u>(810,320)</u>
SHAREHOLDERS' FUNDS	24	1,120,287	673,913

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

22/14/2010

and were signed



Mr K Virk – Director

SVS SECURITIES PLC
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2009

	Notes	2009 £	2008 £
Net cash inflow/(outflow) from operating activities	1	1,506,252	(1,198,731)
Returns on investments and servicing of finance	2	(55,752)	(9,083)
Taxation	2	16,375	(32,854)
Capital expenditure and financial investment	2	(170,173)	(521,556)
		1,296,702	(1,762,224)
Financing	2	(130,454)	1,285,391
Increase/(Decrease) in cash in the period		<u>1,166,248</u>	<u>(476,833)</u>

Reconciliation of net cash flow to movement in net funds

3

Increase/(Decrease) in cash in the period	1,166,248	(476,833)
Cash (inflow)/outflow from (decrease)/increase in liquid resources	(382,767)	453,342
Cash inflow from increase in debt and lease financing	<u>(371,345)</u>	<u>(340,218)</u>
Change in net funds resulting from cash flows	<u>412,136</u>	<u>(363,709)</u>
Movement in net funds in the period	412,136	(363,709)
Net funds at 1 January	<u>264,233</u>	<u>627,942</u>
Net funds at 31 December	<u>676,369</u>	<u>264,233</u>

The notes form part of these financial statements

SVS SECURITIES PLC

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2009

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

	2009 £	2008 £
Operating profit/(loss)	522,700	(1,636,294)
Depreciation charges	82,239	106,312
Loss on disposal of fixed assets	2,054	-
(Increase)/Decrease in investments	382,767	(453,342)
Decrease in stocks	-	360,341
Decrease/(Increase) in debtors	593,069	(100,681)
(Decrease)/Increase in creditors	(76,577)	524,933
Net cash inflow/(outflow) from operating activities	<u>1,506,252</u>	<u>(1,198,731)</u>

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

	2009 £	2008 £
Returns on investments and servicing of finance		
Interest received	2,610	8,546
Interest paid	(50,909)	(16,146)
Interest element of hire purchase payments	(7,453)	(1,483)
Net cash outflow for returns on investments and servicing of finance	<u>(55,752)</u>	<u>(9,083)</u>
Taxation		
Taxation paid	-	(32,854)
Taxation refund	16,375	-
Net cash inflow/(outflow) for taxation	<u>16,375</u>	<u>(32,854)</u>
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(170,173)	(521,552)
Purchase of fixed asset investments	-	(4)
Net cash outflow for capital expenditure and financial investment	<u>(170,173)</u>	<u>(521,556)</u>
Financing		
New loans in year	593,250	425,375
Loan repayments in year	(146,887)	(43,918)
Capital repayments in year	(75,018)	(41,239)
Amount introduced by directors	-	165,869
Amount withdrawn by directors	(501,799)	-
Share issue	-	779,304
Net cash (outflow)/inflow from financing	<u>(130,454)</u>	<u>1,285,391</u>

The notes form part of these financial statements

SVS SECURITIES PLC

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2009

3 ANALYSIS OF CHANGES IN NET FUNDS

	At 1.1.09 £	Cash flow £	At 31.12.09 £
Net cash.			
Cash at bank and in hand	10,177	888,412	898,589
Bank overdraft	<u>(277,836)</u>	<u>277,836</u>	<u>-</u>
	<u>(267,659)</u>	<u>1,166,248</u>	<u>898,589</u>
Liquid resources			
Current asset investments	<u>872,110</u>	<u>(382,767)</u>	<u>489,343</u>
	<u>872,110</u>	<u>(382,767)</u>	<u>489,343</u>
Debt			
Hire purchase	(183,817)	75,018	(108,799)
Debts falling due within one year	(65,616)	(56,775)	(122,391)
Debts falling due after one year	<u>(90,785)</u>	<u>(389,588)</u>	<u>(480,373)</u>
	<u>(340,218)</u>	<u>(371,345)</u>	<u>(711,563)</u>
Total	<u>264,233</u>	<u>412,136</u>	<u>676,369</u>

The notes form part of these financial statements

SVS SECURITIES PLC

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009

1. ACCOUNTING POLICIES

Basis of preparation

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

Preparation of consolidated financial statements

In accordance with S405 of the Companies Act 2006, the company has excluded from consolidation the results of its subsidiary companies as the directors do not consider these companies as material as the companies were dormant throughout the year or have been dissolved

Turnover and revenue recognition

Turnover represents commissions earned on dealings on behalf of clients and is recognised on the date of trade. Turnover also includes corporate finance and advisory fees, which are recorded as revenue when earned generally at the time the related service has been entered and the client is contractually obliged to pay

Revenue excludes discounts, rebates, VAT and other sales taxes

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation, such costs include cost directly attributable to making the asset capable of operating as intended

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

The website has been capitalised as it will be income generating. Additions during the year represent an online equity and derivatives dealing facility which was not operational during the year and was not depreciated. The directors expect that this facility will go live during 2010 at which point depreciation will commence in accordance with the accounting policy stated above

The carrying value of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax with the following exception

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which the timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Foreign currencies

Monetary 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

Cash and liquid resources

Cash, for the purpose of the cash flow statement, comprises cash in hand and deposits repayable on demand, less overdrafts payable on demand. Liquid resources are current asset investments which are disposable without curtailing or disrupting the business and are either readily convertible into known amounts of cash at or close to their carrying values or traded in an active market.

Fixed asset investments

Fixed asset investments are stated at cost less provision for diminution in value

SVS SECURITIES PLC

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2009

1 ACCOUNTING POLICIES - continued

Current asset 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 profit (2008 - loss) before taxation are attributable to the one principal activity of the company

	2009	Restated
	£	2008
Commissions and margins on dealings	8,434,113	2,970,217
Corporate finance	<u>662,387</u>	<u>1,566,880</u>
	<u>9,096,500</u>	<u>4,537,097</u>

All turnover arose in the United Kingdom

3 **STAFF COSTS**

	2009	2008
	£	£
Wages and salaries	2,983,231	2,840,045
Social security costs	<u>365,666</u>	<u>323,109</u>
	<u>3,348,897</u>	<u>3,163,154</u>

SVS SECURITIES PLC

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2009

3 STAFF COSTS - continued

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

	2009	2008
Directors	3	2
Corporate broking and equity trading	22	27
Corporate financing	3	8
Compliance and risk assessment	10	11
	<u>38</u>	<u>48</u>

No staff costs (2008 £273,100) have been capitalised during the year in website development expenditure which represents the staff costs of individuals working exclusively to develop the Company's online dealing website

4 OPERATING PROFIT/(LOSS)

The operating profit (2008 - operating loss) is stated after charging/(crediting)

	2009 £	2008 £
Hire of plant and machinery	14,093	23,551
Depreciation - owned assets	82,239	106,312
Loss on disposal of fixed assets	2,054	-
Audit Fee	21,229	16,250
Other services relating to taxation	1,500	1,500
Foreign exchange differences	30,684	-
Operating leases, land and buildings	74,700	74,700
Revaluation of current asset investments on fair value basis	<u>380,000</u>	<u>(417,500)</u>

Directors' remuneration	<u>253,099</u>	<u>308,490</u>
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Information regarding the highest paid director is as follows

	2009 £	2008 £
Emoluments etc	<u>101,440</u>	<u>159,192</u>

5. INTEREST RECEIVABLE AND SIMILAR INCOME

	2009 £	2008 £
Deposit account interest	<u>2,610</u>	<u>8,546</u>

6 INTEREST PAYABLE AND SIMILAR CHARGES

	2009 £	2008 £
Bank interest	646	2,920
Bank loan interest	47,975	9,616
Interest on PAYE late payment	17,288	25,610
Hire purchase	<u>7,453</u>	<u>1,483</u>
	<u>73,362</u>	<u>39,629</u>

SVS SECURITIES PLC

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2009

7 TAXATION

Analysis of the tax charge/(credit)

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

	2009 £	2008 £
Current tax.		
UK corporation tax	548	(203,993)
Deferred tax	<u>5,026</u>	<u>(139,304)</u>
Tax on profit/(loss) on ordinary activities	<u>5,574</u>	<u>(343,297)</u>

UK corporation tax has been charged at 21%

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

	2009 £	2008 £
Profit/(loss) on ordinary activities before tax	<u>451,948</u>	<u>(1,667,377)</u>
Profit/(loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 21% (2008 - 30%)	94,909	(500,213)
Effects of.		
Expenses disallowed for tax	7,644	7,928
Excess of capital allowances over depreciation	(17,672)	(24,722)
Income disallowed for tax	-	(12,750)
Un-utilised tax losses	-	325,764
Losses utilised in year	<u>(84,333)</u>	<u>-</u>
Current tax charge/(credit)	<u>548</u>	<u>(203,993)</u>

SVS SECURITIES PLC

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2009

7 TAXATION - continued

Factors that may affect future tax charges
Deferred tax

The deferred tax is included in the balance sheet as follows

	2009	2008
	£	£
Included in debtors (note 11)	<u>110,894</u>	<u>115,920</u>

The deferred tax assets consist of

	2009	2008
	£	£
Losses available	191,476	115,920
Accelerated capital allowances	<u>(80,582)</u>	<u>-</u>
	<u>110,894</u>	<u>115,920</u>

Movements in the deferred tax balance in the year were as follows

	2009	2008
	£	£
As at 1 January	115,920	(23,384)
Deferred tax charge (note 7 above)	<u>(5,026)</u>	<u>139,304</u>
	<u>110,894</u>	<u>115,920</u>
As at 31 December		

Subject to approval from HM Revenue and Custom the company has tax losses available to offset against future taxable profits of £683,842 (2008 £1,085,431)

8 PRIOR YEAR ADJUSTMENT

The profit and loss account has been restated for the prior year as the company recognised the margin only on trades where it acted as principal. In accordance with FRS5 where the company acts as principal, turnover should be recognised based on the gross amount received in return for its performance under a contractual arrangement. This has resulted in an increase in turnover and costs of sales of £1,379,783 for the year ended 31 December 2008 and has not resulted in any adjustment to the profit reported for that year.

SVS SECURITIES PLC

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2009

9 TANGIBLE FIXED ASSETS

	Office equipment £	Settlements system £	Website development £	Totals £
COST				
At 1 January 2009	235,609	115,059	590,482	941,150
Additions	65,815	-	104,358	170,173
Disposals	(12,256)	-	-	(12,256)
At 31 December 2009	<u>289,168</u>	<u>115,059</u>	<u>694,840</u>	<u>1,099,067</u>
DEPRECIATION				
At 1 January 2009	131,999	87,893	53,792	273,684
Charge for year	39,685	23,419	19,135	82,239
Eliminated on disposal	(10,204)	-	-	(10,204)
At 31 December 2009	<u>161,480</u>	<u>111,312</u>	<u>72,927</u>	<u>345,719</u>
NET BOOK VALUE				
At 31 December 2009	<u>127,688</u>	<u>3,747</u>	<u>621,913</u>	<u>753,348</u>
At 31 December 2008	<u>103,610</u>	<u>27,166</u>	<u>536,690</u>	<u>667,466</u>

The net book value of tangible fixed assets includes £146,699 (2008 - £146,699) in respect of assets held under hire purchase contracts.

10 FIXED ASSET INVESTMENTS

	Shares in group undertakings £
COST	
At 1 January 2009	107
Additions	2
Disposals	(4)
At 31 December 2009	<u>105</u>
NET BOOK VALUE	
At 31 December 2009	<u>105</u>
At 31 December 2008	<u>107</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

Class of shares	% holding	2009 £	2008 £
Ordinary	100.00	<u>1</u>	<u>1</u>
Aggregate capital and reserves			

SVS SECURITIES PLC

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2009

10. FIXED ASSET INVESTMENTS - continued

SVS Accelerator Investments Limited

Nature of business Application for strike-off on 22/12/09

	% holding	2009 £	2008 £
Class of shares*			
Ordinary	100 00		
Aggregate capital and reserves		-	(21,462)
Loss for the year		-	(14,137)

SVS Special Situations Investment Fund Limited

Nature of business. Application for strike-off on 22/12/09

	% holding	2009 £	2008 £
Class of shares			
Ordinary	100 00		
Aggregate capital and reserves		-	(26,723)
Loss for the year		-	(19,996)

SVS CFDS Limited

Nature of business: The company was dissolved on 22/12/09

	% holding
Class of shares	
Ordinary	100 00

SVS Capital Markets Limited

Nature of business: The company was dissolved on 22/12/09

	% holding
Class of shares	
Ordinary	100 00

SVS Securities (Nominees) 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 2009

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2009 £	2008 £
Trade debtors	284,502	280,436
Amounts owed by group undertakings	-	40,014
Other debtors	74,285	63,372
Deferred tax	110,894	115,920
Directors' current accounts	335,930	-
Tax	-	14,865
VAT	7,086	-
Prepayments and accrued income	72,422	626,710
	885,119	1,141,317

Information on deferred tax asset is set out in note 7 to the financial statements

SVS SECURITIES PLC

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2009

12 CURRENT ASSET INVESTMENTS

	2009	2008
	£	£
Listed investments	489,343	492,110
Unlisted investments	-	380,000
	<u>489,343</u>	<u>872,110</u>

Market value of listed investments at 31 December 2009 - £489,343 (2008 - £492,110)

Listed Investments include an investment of £80,000 (2008 - £80,000) in Trafalgar New Homes PLC, a company in which director K Virk is a shareholder

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

	2009	2008
	£	£
Bank loans and overdrafts (see note 15)	122,391	343,452
Hire purchase contracts (see note 16)	75,018	75,018
Trade creditors	322,527	318,765
Amounts owed to group undertakings	1	-
Tax	548	-
PAYE and National Insurance	683,093	839,428
VAT	-	17,076
Other creditors	17,077	12,690
Directors' current accounts	-	165,869
Accrued expenses	171,408	45,383
	<u>1,392,063</u>	<u>1,817,681</u>

14 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2009	2008
	£	£
Bank loans (see note 15)	480,373	90,785
Hire purchase contracts (see note 16)	33,781	108,799
	<u>514,154</u>	<u>199,584</u>

15 LOANS

An analysis of the maturity of loans is given below.

	2009	2008
	£	£
Amounts falling due within one year or on demand		
Bank overdrafts	-	277,836
Bank loans	122,391	65,616
	<u>122,391</u>	<u>343,452</u>
Amounts falling due between one and two years.		
Bank loans - 1-2 years	115,973	65,616
Amounts falling due between two and five years		
Bank loans - 2-5 years	364,400	25,169

SVS SECURITIES PLC

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2009

16 OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES

	Hire purchase contracts	
	2009 £	2008 £
Gross obligations repayable		
Within one year	93,206	93,206
Between one and five years	<u>42,633</u>	<u>135,839</u>
	<u>135,839</u>	<u>229,045</u>
Finance charges repayable		
Within one year	18,188	18,188
Between one and five years	<u>8,852</u>	<u>27,040</u>
	<u>27,040</u>	<u>45,228</u>
Net obligations repayable.		
Within one year	75,018	75,018
Between one and five years	<u>33,781</u>	<u>108,799</u>
	<u>108,799</u>	<u>183,817</u>

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

	Land and buildings		Other operating leases	
	2009 £	2008 £	2009 £	2008 £
Expiring				
Within one year	-	74,700	-	504
Between one and five years	<u>101,420</u>	<u>-</u>	<u>3,412</u>	<u>3,412</u>
	<u>101,420</u>	<u>74,700</u>	<u>3,412</u>	<u>3,916</u>

17 SECURED DEBTS

The following secured debts are included within creditors

	2009 £	2008 £
Bank overdraft	-	277,836
Bank loans	602,764	156,401
Hire purchase contracts	<u>108,799</u>	<u>183,817</u>
	<u>711,563</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 £350,000 and P Pooley to the value of £150,000, and joint personal guarantees of directors P Pooley and K Virk limited to the value of £150,000. The bank also holds a second charge over a property in which K Virk has an interest and a property in which P Pooley 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 2009

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 2009, the Company's loans carried a variable rate of interest of 5.0% 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 CALLED UP SHARE CAPITAL

Allotted and issued.		2009		2008
Number	Class	Nominal Value	£	£
60,064,500	Ordinary	£0.001	<u>60,065</u>	<u>60,065</u>

SVS SECURITIES PLC

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2009

20 RESERVES

	Profit and loss account £	Share premium £	Totals £
At 1 January 2009	(810,320)	1,424,168	613,848
Profit for the year	<u>446,374</u>		<u>446,374</u>
At 31 December 2009	<u>(363,946)</u>	<u>1,424,168</u>	<u>1,060,222</u>

21 TRANSACTIONS WITH DIRECTORS

The following loans to directors subsisted during the years ended 31 December 2009 and 31 December 2008

	2009 £	2008 £
Mr K Virk		
Balance outstanding at start of year	-	-
Balance outstanding at end of year	84,112	-
Maximum balance outstanding during year	<u>232,160</u>	<u>7,411</u>
Mr P Pooley		
Balance outstanding at start of year	-	-
Balance outstanding at end of year	251,818	-
Maximum balance outstanding during year	<u>303,951</u>	<u>18,064</u>

No interest is payable on the loan accounts and are repayable on demand. The directors have confirmed all balances will be repaid within 9 months of the year end.

22 RELATED PARTY DISCLOSURES

During the year the company made payments totalling £125,000 to Aston Lloyd & Partners International Limited, a company in which the director K Virk is a shareholder. These fees were in respect of introductory services and for the arrangement of a loan facility. At 31 December 2009 the company owed Aston Lloyd & Partners International Limited £nil (2008 £50,000).

During the year, SVS Securities Plc wrote off £460,000 investment in London Wall Mining Ltd, a company in which P Pooley was a director. Also no contract was entered to provide corporate broking and financing services to the company (2008 £100,000).

During the year, SVS Securities PLC entered a contract to provide corporate broking and financing services to Trafalgar New Homes PLC to a value of £62,222 (2008 £107,336). At the year end £50,446 (2008 £38,946) was due from Trafalgar New Homes Plc, a company which K Virk is a shareholder.

23 POST BALANCE SHEET EVENTS

At the year end, SVS Securities Plc wrote off £110,000 in respect of its investment in Stepping Stone Plc as the company went into administration on 13 January 2010 and the directors do not consider this investment is recoverable.

24 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2009 £	2008 £
Profit/(Loss) for the financial year	446,374	(1,324,080)
Issue of share capital	-	779,304
Net addition/(reduction) to shareholders' funds	446,374	(544,776)
Opening shareholders' funds	<u>673,913</u>	<u>1,218,689</u>
Closing shareholders' funds	<u>1,120,287</u>	<u>673,913</u>

SVS SECURITIES PLC**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2009****25 CONTROL**

In the opinion of the directors there is no ultimate controlling party

26 CLIENT MONEY

At the year end the Company held £6,639,445 (2008 £319,289) of client monies in a designated client account
As these are client monies the client account balance is not shown on the balance sheet.