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European Securities Network LLP

REPORT AND FINANCIAL STATEMENTS

For the year ended 31 December 2007

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COMPANIES HOUSE

LLP No OC302570

European Securities Network LLP

LLP INFORMATION

MEMBERS

Investment Bank of Greece (formerly Egnatia Finance S A)
CM-CIC Securities S A
Caja Madrid Bolsa S V B
Banca Akros S p A
Caixa Banco de Investimento S A
Bank Degroof S A
NCB Stockbrokers Limited
equinet AG
Danske Bank (formerly Mandatum Securities Limited)
SNS Securities N V

REGISTERED OFFICE

16 Old Bailey
London
EC4M 7EG

AUDITORS

Baker Tilly UK Audit LLP
Chartered Accountants
Springpark House
Basing View
Basingstoke
Hampshire
RG21 4HG

European Securities Network LLP

DESIGNATED MEMBERS

REPORT

The designated members submit their report and the financial statements of European Securities Network LLP for the year ended 31 December 2007

PRINCIPAL ACTIVITIES

The principal activity of the limited liability partnership is that of owning and licensing the trademarks, formulating and co-ordinating common European Equity research, with common templates and minimum standards of co-operation, and at supporting equity sales and order execution among its Members on a non-exclusive basis, acting as a "service company" for the Members formed for the purpose of improving the internal decision process as a common "centre of co-ordination and integration" among the Members

REVIEW OF THE BUSINESS

The designated members consider the results for the year to be satisfactory

RESULTS AND DISTRIBUTIONS

The results for the period are shown in the profit and loss account on page 6

MEMBERS PROFIT ALLOCATION AND DRAWINGS

The partnership agreement dated 26 October 2007 governs the policy for Members' drawings, subscriptions and repayment of capital

Members contribute an initial capital amount of €1,000 on admission as a Member. Thereafter, new members are charged an entry fee

All amounts drawn are subject to cash being available and the working capital requirements of the business. Members' capital is repayable upon their resignation as members

DESIGNATED MEMBERS

The following designated members have held office since 1 January 2007

Investment Bank of Greece (formerly Egnatia Finance S A)

CM-CIC Securities S A

Caja Madrid Bolsa S V B

F van Lanschot Bankiers N V

resigned 5 March 2007

Banca Akros S p A

Caixa Banco de Investimento S A

Bank Degroof S A

NCB Stockbrokers Limited

equinet AG

Danske Bank (formerly Mandatum Securities Limited)

SNS Securities N V

admitted 1 July 2007

European Securities Network LLP

DESIGNATED MEMBERS

REPORT

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

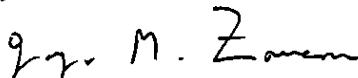
The designated members who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. Each of the designated members have confirmed that they have taken all the steps that they ought to have taken as designated members in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

AUDITORS

A resolution to reappoint Baker Tilly UK Audit LLP will be put to the members at the annual general meeting.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small entities.

By order of the board



Giorgio Zancan representing European Securities Network LLP

Date 23 APRIL 2008

European Securities Network LLP

DESIGNATED MEMBERS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

The designated members are responsible for preparing the Annual Report and the financial statements in accordance with applicable laws and regulations

Limited Liability Partnership law requires the designated members to prepare financial statements for each financial year. Under that law the designated members 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 Limited Liability Partnership and of the profit or loss for that year. In preparing those financial statements, the designated members are required to

- a) Select suitable accounting policies and then apply them consistently,
- b) Make judgements and estimates that are reasonable and prudent, and
- c) Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Limited Liability Partnership will continue in business

The designated members are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the partnership and to enable them to ensure that the financial statements comply with the requirements of the Companies Act 1985 as applicable under the Limited Liability Partnerships Act 2000. They are also responsible for safeguarding the assets of the partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The designated members are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

INDEPENDENT AUDITOR'S REPORT TO THE DESIGNATED MEMBERS OF EUROPEAN SECURITIES NETWORK LLP

We have audited the financial statements on pages 6 to 12

This report is made solely to the Limited Liability Partnership's Members, as a body, in accordance with section 235 of the Companies Act 1985 as applicable under the Limited Liability Partnerships Act 2000. Our audit work has been undertaken so that we might state to the Limited Liability Partnership's Members those matters we are required to state to them in an auditor's 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 Limited Liability Partnership and the Limited Liability Partnership's Members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of designated members and auditors

The Designated Members' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Designated Members' Responsibilities.

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 as applicable under the Limited Liability Partnerships Act 2000, and whether the Designated Members' Report is consistent with the financial statements. We also report to you if, in our opinion, the Limited Liability Partnership 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 Designated Members' remuneration and other transactions is not disclosed.

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 designated members in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Limited Liability Partnership'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 limited liability partnership's affairs at 31 December 2007 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985 as applicable under the Limited Liability Partnerships Act 2000, and
- the information given in the Designated Members' Report is consistent with the financial statements.

Baker Tilly UK Audit LLP

BAKER TILLY UK AUDIT LLP

Chartered Accountants and Registered Auditors

Springpark House

Basing View

Basingstoke

Hampshire

RG21 4HG

7 July 2008

European Securities Network LLP

PROFIT AND LOSS ACCOUNT

for the year ended 31 December 2007

	Notes	2007 €	2006 €
Turnover	1	1,508,762	1,286,014
Other operating expenses (net)	2	(1,541,419)	(1,302,751)
Operating Profit/(Loss)		<u>(32,657)</u>	<u>(16,737)</u>
Interest receivable		34,633	17,796
Profit on ordinary activities before taxation	3	<u>1,976</u>	<u>1,059</u>
Taxation		-	-
Result for the financial year before members' remuneration and profit shares		<u>1,976</u>	<u>1,059</u>
Salaried member's remuneration		-	-
Result for the financial year available for division among members		<u>1,976</u>	<u>1,059</u>

The result for the year arises from the partnership's continuing operations

No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the profit and loss account

European Securities Network LLP

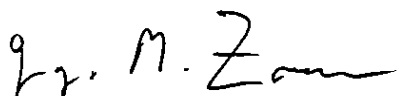
BALANCE SHEET

31 December 2007

	<i>Notes</i>	2007 €	2006 €
Fixed assets			
Tangible assets	4	14,933	3,792
Current assets			
Debtors	5	1,352,361	1,645,051
Cash at bank and in hand		712,576	405,677
		<u>2,064,937</u>	<u>2,050,728</u>
Creditors: falling due within one year	6	<u>2,056,733</u>	<u>2,033,359</u>
Net current assets		8,204	17,369
Net assets attributable to members		<u>23,137</u>	<u>21,161</u>
Represented by			
Loans and other amounts due to members			
Members capital classified as a liability under FRS 25	7	23,137	21,161
Total members' interests		<u>23,137</u>	<u>21,161</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small entities

The financial statements on pages 6 to 12 were approved by the board and authorised for issue on
23 APRIL 2008 and signed on its behalf by



Giorgio Zancan representing European Securities Network LLP

European Securities Network LLP

ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, in accordance with applicable accounting standards and in accordance with Statement of Recommended Practice 2006 – Accounting by Limited Liability Partnerships

Tangible fixed assets

Fixed assets are stated at historical cost less depreciation

Depreciation is provided on all tangible fixed assets at rates calculated to write each asset down to its estimated residual value evenly over its expected life, as follows

Computer equipment	25% reducing balance
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Foreign currencies

Transactions denominated in foreign currencies are recorded at the rate ruling at the date of the transaction
All differences are taken to the profit and loss account

Turnover

Turnover represents the invoiced value, net of Value Added Tax, of goods sold and services provided to customers outside the group and, in the case of long term contracts, credit is taken appropriate to the stage of completion when the outcome of the contract can be assessed with reasonable certainty

European Securities Network LLP

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2007

1 Turnover and operating profit

The partnership's turnover and operating profit were all derived from its principal activity. Sales were made solely in Europe and 90% was attributable to markets outside the UK.

2 Other operating expenses (net)

	2007 €	2006 €
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Administration expenses	1,541,419	1,302,751
	<u> </u>	<u> </u>

3 Profit on ordinary activities before taxation

	2007 €	2006 €
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Profit on ordinary activities before taxation is stated after charging/(crediting)

Depreciation of tangible assets (charge for the year)		
Owned assets	1,754	1,264
Loss/(profit) on foreign exchange transactions	1,308	(2,927)
Auditors' remuneration		
In respect of audit services	11,000	10,000
In respect of non audit services	18,725	16,500
	<u> </u>	<u> </u>

4 Fixed assets

	2007 €
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Cost brought forward	12,945
Additions	12,895
Cost carried forward	<u>25,840</u>

Depreciation brought forward	9,153
Depreciation charge for the year	1,754

Depreciation carried forward	<u>10,907</u>
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Net book value at 31 st December 2007	<u>14,933</u>
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Net book value at 31 st December 2006	<u>3,792</u>
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5 Debtors

	2007 €	2006 €
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Trade debtors	600,346	1,160,107
Prepayments and accrued income	752,015	484,944
	<u>1,352,361</u>	<u>1,645,051</u>

European Securities Network LLP

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2007

6	Creditors: Amounts falling due within one year	2007 €	2006 €
	Trade creditors	355,293	350,724
	Other taxation and social security	156,040	161,725
	Accruals and deferred income	1,545,400	1,520,910
		<u>2,056,733</u>	<u>2,033,359</u>

7	Loans and other debts due to members	Members' Capital €	Loans and other debts due to members €	Total €
	Members' interests as at 31 December 2006	-	21,161	21,161
	Result for the financial period available for division amongst members	-	1,976	1,976
	Members' interests after result for the period	-	<u>23,137</u>	<u>23,137</u>
	Introduced by members	-	1,000	1,000
	Returned to Members	-	(1,000)	(1,000)
	Members' interests as at 31 December 2007	-	<u>23,137</u>	<u>23,137</u>

The average number of members during the year was 10 (2006 10)

European Securities Network LLP

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2007

8 Related party transactions

During the year sales were made to designated members as follows

	Annual fees fixed contribution and entry fees €	Annual fees from rebated commissions €	Share of result available to members €
Investment Bank of Greece (formerly Egnatia Finance S A)	20,500	185,019	198
CM-CIC Securities S A	20,500	109,497	198
Caja Madrid Bolsa S V B	20,500	127,664	198
F van Lanschot Bankiers N V	96,850	13,150	-
Banca Akros S p A	20,500	72,496	198
Caixa Banco de Investimento S A	20,500	22,417	198
Bank Degroof S A	20,500	42,763	198
NCB Stockbrokers Limited	20,500	70,004	197
equinet AG	20,500	348,152	197
Danske Bank (formerly Mandatum Securities Limited)	20,500	77,250	197
SNS Securities N V	55,000	70,000	197
	<u>336,350</u>	<u>1,138,412</u>	<u>1,976</u>
	Trade debtor balances at year end €	Costs charged in year by designated members €	Other balances debit/(credit) at year end €
Investment Bank of Greece (formerly Egnatia Finance S A)	113,783	-	-
CM-CIC Securities S A	41,150	122,781	(5,544)
Caja Madrid Bolsa S V B	-	-	(76,350)
F van Lanschot Bankiers N V	-	12,958	(4,092)
Banca Akros S p A	-	686,516	(94,975)
Caixa Banco de Investimento S A	195,463	2,400	-
Bank Degroof S A	41,150	27,800	-
NCB Stockbrokers Limited	-	186,538	(77,888)
equinet AG	41,150	36,100	-
Danske Bank (formerly Mandatum Securities Limited)	41,150	8,900	-
SNS Securities N V	117,500	-	-
	<u>591,346</u>	<u>1,083,993</u>	<u>(258,849)</u>

The above balances do not include accrued amounts or expenses reclaimed

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NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2007

- 9 The financial statements have been prepared in Euros The Sterling exchange rate at 31 December 2007 was 1.3615

European Securities Network LLP
INTERNAL PROFIT AND LOSS ACCOUNT
For the year ended 31 December 2007

	2007	2006
	€	€
Turnover		
Annual fees first contribution – less refundable	281,350	768,100
Annual fees from rebated commissions	1,138,412	460,083
Supply of licenses to intellectual property	34,000	57,831
Entry Fees	55,000	-
	<u>1,508,762</u>	<u>1,286,014</u>
Administration expenses		
Secondment and services fees	739,529	629,227
Incentives	300,000	280,000
Travel	60,061	53,790
Seminars	122,682	77,707
Software and computer expenses	188,306	162,582
Legal fees	33,276	25,135
Other professional fees	1,651	-
Insurance	12,600	-
Accountancy	29,725	26,500
Telephone	12,465	16,873
Advertising and various	37,060	31,638
Depreciation	1,754	1,264
Exchange rate variance	1,308	(2,927)
Bank charges	1,002	962
	<u>1,541,419</u>	<u>1,302,751</u>
Interest receivable	34,633	17,796
Result for year	<u>1,976</u>	<u>1,059</u>

This page does not form part of the statutory financial statements