

REGISTERED NUMBER: 08120457 (England and Wales)

**Strategic Report, Report of the Directors and
Financial Statements for the Year Ended 27 December 2016**
for
Equities First (London) Limited

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for the Year Ended 27 December 2016**

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Equities First (London) Limited
Company Information
for the Year Ended 27 December 2016

DIRECTORS:

Mr A C Christy, Jr.
Mr D J McGillivray
Mr A D Pereira
Mr J F Mungovan

REGISTERED OFFICE:

3rd Floor
120 Moorgate
London
EC2M 6UR

REGISTERED NUMBER:

08120457 (England and Wales)

AUDITORS:

Maurice J. Bushell & Co, Statutory Auditor
Third Floor
120 Moorgate
London
EC2M 6UR

**Strategic Report
for the Year Ended 27 December 2016**

The directors present their strategic report for the year ended 27 December 2016.

REVIEW OF BUSINESS.

The year 2016 was the second full year of ownership for Equity First Holdings LLC and it represented a year of stability and consolidation, giving a platform for the business to build upon.

Significant progress was made in two areas:

- Marketing strategy: This year there has been a greater focus on generating business in Europe through the use of intermediaries. We now have a core team of well trained employees to meet the challenges we face going forward and to develop other markets.
- Regulatory Developments: The company continues to develop its strong focus on compliance, with a particular emphasis on Cyber Security.

The level of loans introduced by the firm was almost double the previous year and with a better understanding of the European markets we operate in, we look forward to further growth in 2017.

PRINCIPAL RISKS AND UNCERTAINTIES.

The company is dependent on financial support from its parent company, Equities First Holdings, LLC. Should the parent company decide to withdraw its financial support then the company would be unable to continue operating. However, we are optimistic that the levels of introductions will significantly increase. In addition, the parent company continues to support the firm in its efforts to reach profitability.

BUSINESS ENVIRONMENT & STRATEGY.

The firm's efforts are concentrated in markets which can be split into four regions: the UK, northern Europe, southern Europe and South Africa.

In the UK, we are a relatively mature business in that we have made a number of introductions to the parent company that have resulted in transactions. Occasional introductions still come to us through intermediaries but the firm will be making a more direct approach to shareholders during 2017.

Northern Europe constitutes primarily Scandinavia and Benelux. The local stock markets are small, so the potential number of clients is limited. The strategy here is to go direct to Professional Clients whilst also cultivating a network of potential introducers.

Southern Europe constitutes primarily Spain, France and Greece. In these countries the business environment is far better suited to our product. We are pursuing a strategy of using local introducers in each of these countries to bring us business.

EFL has worked hard to expand its distribution channels throughout the international introducer community which we believe will develop further in the coming years. We consider that international introducers are a key element to our future success.

The Board acknowledges the importance of compliance with FCA and EU regulations and continues to put this at the forefront of the improving business activities.

**Strategic Report
for the Year Ended 27 December 2016**

KEY PERFORMANCE INDICATORS.

The firm earns fees by introducing clients to the parent company. If the firm sources such Professional Clients, then the firm will do well; if it fails it will not. Hence, the logical key performance indicator is the volume of loans to Professional Clients introduced by the firm.

FUTURE DEVELOPMENTS.

The firm will continue to work hard to find clients to introduce to the parent company, as described above. As and when the level of business increases more employees may be recruited to support the effort - though this is dependent on the level of business.

ON BEHALF OF THE BOARD:



Mr J F Mungovan - Director

19 April 2017

**Report of the Directors
for the Year Ended 27 December 2016**

The directors present their report with the financial statements of the company for the year ended 27 December 2016.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was to introduce clients to the parent company for the purpose of providing shareholder financing.

DIVIDENDS

No dividends will be distributed for the year ended 27 December 2016.

DIRECTORS

The directors shown below have held office during the whole of the period from 28 December 2015 to the date of this report.

Mr A C Christy, Jr.
Mr D J McGillivray
Mr A D Pereira
Mr J F Mungovan

Other changes in directors holding office are as follows:

Mr S C Moore - resigned 27 October 2016

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, 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.

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.

**Report of the Directors
for the Year Ended 27 December 2016**

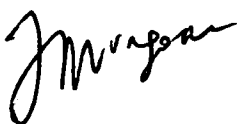
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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 ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Maurice J. Bushell & Co, Statutory Auditor, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



Mr J F Mungovan - Director

19 April 2017

**Report of the Independent Auditors to the Members of
Equities First (London) Limited**

We have audited the financial statements of Equities First (London) Limited for the year ended 27 December 2016 on pages eight to eighteen. 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 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 page four, 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 and express an opinion on 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. In addition, we read all the financial and non-financial information in the Strategic Report and the Report of the Directors to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 27 December 2016 and of its loss 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.

**Report of the Independent Auditors to the Members of
Equities First (London) Limited**

Emphasis of matter

In forming our opinion on the financial statements which is not qualified, we have considered the ability of the company to continue trading for the foreseeable future. Despite the company reporting an accumulated trading losses of £4,897,266 as at 27 December 2016, the financial statements have been prepared on the going concern basis. The parent company, Equities First Holdings LLC have confirmed in writing that the company provides economic benefits to the group and will continue to trade with and provide financial support to the company for the foreseeable future. The continuing trading losses condition, indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern without the continuing support of the parent company, Equities First Holdings LLC.

The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

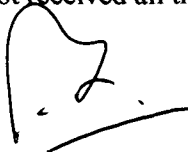
Other matters

In our opinion the information given in the Strategic Report and 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.



Stephen M Foster (Senior Statutory Auditor)
for and on behalf of Maurice J. Bushell & Co, Statutory Auditor
Third Floor
120 Moorgate
London
EC2M 6UR

Date: 21/4/2017

Equities First (London) Limited (Registered number: 08120457)

**Income Statement
for the Year Ended 27 December 2016**

	Notes	2016 £	2015 £
TURNOVER		1,472,037	428,977
Administrative expenses		<u>1,877,984</u>	<u>1,905,827</u>
OPERATING LOSS and LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	3	(405,947)	(1,476,850)
Tax on loss on ordinary activities	4	<u>-</u>	<u>-</u>
LOSS FOR THE FINANCIAL YEAR		<u><u>(405,947)</u></u>	<u><u>(1,476,850)</u></u>

The notes form part of these financial statements

**Other Comprehensive Income
for the Year Ended 27 December 2016**

	Notes	2016 £	2015 £
LOSS FOR THE YEAR		(405,947)	(1,476,850)
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u><u>(405,947)</u></u>	<u><u>(1,476,850)</u></u>

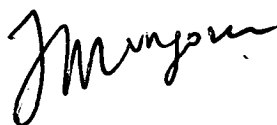
The notes form part of these financial statements

Equities First (London) Limited (Registered number: 08120457)

**Balance Sheet
27 December 2016**

	Notes	2016	2015
		£	£
FIXED ASSETS			
Tangible assets	5	37,181	88,728
CURRENT ASSETS			
Debtors	6	197,079	227,715
Cash at bank and in hand		691,968	180,468
		<u>889,047</u>	<u>408,183</u>
CREDITORS			
Amounts falling due within one year	7	156,054	100,790
NET CURRENT ASSETS		<u>732,993</u>	<u>307,393</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u><u>770,174</u></u>	<u><u>396,121</u></u>
CAPITAL AND RESERVES			
Called up share capital	9	5,667,440	4,887,440
Retained earnings	10	(4,897,266)	(4,491,319)
SHAREHOLDERS' FUNDS	13	<u><u>770,174</u></u>	<u><u>396,121</u></u>

The financial statements were approved by the Board of Directors on 19 April 2017 and were signed on its behalf by:



Mr J F Mungovan - Director

The notes form part of these financial statements

Equities First (London) Limited (Registered number: 08120457)

**Statement of Changes in Equity
for the Year Ended 27 December 2016**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 28 December 2014	3,327,440	(3,014,469)	312,971
Changes in equity			
Issue of share capital	1,560,000	-	1,560,000
Total comprehensive income	-	(1,476,850)	(1,476,850)
Balance at 27 December 2015	<u>4,887,440</u>	<u>(4,491,319)</u>	<u>396,121</u>
Changes in equity			
Issue of share capital	780,000	-	780,000
Total comprehensive income	-	(405,947)	(405,947)
Balance at 27 December 2016	<u>5,667,440</u>	<u>(4,897,266)</u>	<u>770,174</u>

The notes form part of these financial statements

Equities First (London) Limited (Registered number: 08120457)

**Cash Flow Statement
for the Year Ended 27 December 2016**

	Notes	2016 £	2015 £
Cash flows from operating activities			
Cash generated from operations	1	(268,522)	(1,536,578)
Net cash from operating activities		<u>(268,522)</u>	<u>(1,536,578)</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(828)	(3,775)
Sale of tangible fixed assets		850	-
Net cash from investing activities		<u>22</u>	<u>(3,775)</u>
Cash flows from financing activities			
Share issue		780,000	1,560,000
Net cash from financing activities		<u>780,000</u>	<u>1,560,000</u>
Increase in cash and cash equivalents		<u>511,500</u>	<u>19,647</u>
Cash and cash equivalents at beginning of year	2	180,468	160,821
Cash and cash equivalents at end of year	2	<u><u>691,968</u></u>	<u><u>180,468</u></u>

The notes form part of these financial statements

Notes to the Cash Flow Statement
for the Year Ended 27 December 2016

1. RECONCILIATION OF LOSS BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2016	2015
	£	£
Loss before taxation	(405,947)	(1,476,850)
Depreciation charges	51,750	51,851
Profit on disposal of fixed assets	(225)	-
	<u>(354,422)</u>	<u>(1,424,999)</u>
Decrease/(increase) in trade and other debtors	30,636	(30,229)
Increase/(decrease) in trade and other creditors	55,264	(81,350)
	<u>(268,522)</u>	<u>(1,536,578)</u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 27 December 2016

	27.12.16	28.12.15
	£	£
Cash and cash equivalents	<u>691,968</u>	<u>180,468</u>

Year ended 27 December 2015

	27.12.15	28.12.14
	£	£
Cash and cash equivalents	<u>180,468</u>	<u>160,821</u>

The notes form part of these financial statements

Notes to the Financial Statements
for the Year Ended 27 December 2016

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Related party exemption

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Included within Other creditors is:

£141,262 (2015: £11,939) owed to Equities First Holdings LLC.

Turnover

Turnover comprises revenue recognised by the company in respect of services supplied during the year, exclusive of Value Added Tax and Trade discounts.

In the year to 27 December 2016 100% (2015: 94%) of the company's turnover was to markets outside of the United Kingdom.

Tangible fixed assets

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

Leasehold Improvements	- 20% on cost
Fixtures and fittings	- 25% on cost
Computer equipment	- 25% on cost

Hire purchase and leasing commitments

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

Going concern

Despite the company reporting accumulated trading losses of £4,897,266 as at 27 December 2016 the financial statements have been prepared on the going concern basis. The parent company, Equities First Holdings Limited have confirmed in writing that the company provides economic benefits to the group and will continue to trade with and provide financial support to the company for the foreseeable future. The continuing trading losses condition, indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern without the continuing support of the parent company, Equities First Holdings LLC.

The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

Notes to the Financial Statements - continued
for the Year Ended 27 December 2016

1. ACCOUNTING POLICIES - continued

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments.

An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Profit and loss account.

2. STAFF COSTS

	2016	2015
	£	£
Wages and salaries	980,553	963,646
Social security costs	128,904	121,474
	<u>1,109,457</u>	<u>1,085,120</u>

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

	2016	2015
Sales	4	7
Administration	3	3
Finance	1	1
	<u>8</u>	<u>11</u>

3. OPERATING LOSS

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

	2016	2015
	£	£
Other operating leases	128,677	171,185
Depreciation - owned assets	51,750	51,850
Profit on disposal of fixed assets	(225)	-
Auditors' remuneration	8,000	8,000
Foreign exchange differences	14,179	1,715
	<u>192,371</u>	<u>232,750</u>

Notes to the Financial Statements - continued
for the Year Ended 27 December 2016

3. OPERATING LOSS - continued

Directors' remuneration	520,081	375,860
	<u>520,081</u>	<u>375,860</u>

Information regarding the highest paid director is as follows:

	2016	2015
	£	£
Emoluments etc	299,012	189,815
	<u>299,012</u>	<u>189,815</u>

4. TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose on ordinary activities for the year ended 27 December 2016 nor for the year ended 27 December 2015.

5. TANGIBLE FIXED ASSETS

	Leasehold Improvements £	Fixtures and fittings £	Computer equipment £	Totals £
COST				
At 28 December 2015	161,184	49,018	29,438	239,640
Additions	-	-	828	828
Disposals	-	-	(1,250)	(1,250)
	<u>161,184</u>	<u>49,018</u>	<u>29,016</u>	<u>239,218</u>
At 27 December 2016	161,184	49,018	29,016	239,218
DEPRECIATION				
At 28 December 2015	96,708	36,758	17,446	150,912
Charge for year	32,236	12,260	7,254	51,750
Eliminated on disposal	-	-	(625)	(625)
	<u>128,944</u>	<u>49,018</u>	<u>24,075</u>	<u>202,037</u>
At 27 December 2016	128,944	49,018	24,075	202,037
NET BOOK VALUE				
At 27 December 2016	32,240	-	4,941	37,181
	<u>32,240</u>	<u>-</u>	<u>4,941</u>	<u>37,181</u>
At 27 December 2015	64,476	12,260	11,992	88,728
	<u>64,476</u>	<u>12,260</u>	<u>11,992</u>	<u>88,728</u>

Notes to the Financial Statements - continued
for the Year Ended 27 December 2016

6. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2016	2015
	£	£
Trade debtors	-	21,132
Other debtors	72,768	72,768
VAT	21,776	20,785
Prepayments and accrued income	102,535	113,030
	<u>197,079</u>	<u>227,715</u>

7. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2016	2015
	£	£
Trade creditors	7,430	7,201
PAYE Payable	-	65,631
Inter-Company Loan Account	141,262	11,393
Accrued expenses	7,362	16,565
	<u>156,054</u>	<u>100,790</u>

8. **LEASING AGREEMENTS**

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2016	2015
	£	£
Between one and five years	<u>174,244</u>	<u>174,244</u>

9. **CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2016	2015
			£	£
850,000	Ordinary	1	850,000	850,000
4,465,000	Perpetual Non-Cumulative Preference	1	4,465,000	3,685,000
			<u>5,315,000</u>	<u>4,535,000</u>

780,000 Perpetual Non-Cumulative Preference shares of 1 each were allotted and fully paid for cash at par during the year.

Notes to the Financial Statements - continued
for the Year Ended 27 December 2016

9. CALLED UP SHARE CAPITAL - continued

During the year the company issued 780,000 (2015: 1,560,000) Perpetual Non-Cumulative preference shares of £1 each for a consideration of £780,000 (2015:£1,560,000)

Perpetual Non-Cumulative Preference shares are redeemable at par, whether in whole or in part, at any time at the discretion of the directors, provided that the directors reasonably believe that the company have adequate resources to make the redemption.

10. RESERVES

	Retained earnings £
At 28 December 2015	(4,491,319)
Deficit for the year	(405,947)
	<hr/>
At 27 December 2016	<u>(4,897,266)</u>

11. ULTIMATE PARENT COMPANY

Equities First Holdings LLC (incorporated in United States of America) is regarded by the directors as being the company's ultimate parent company.

The company is controlled by its parent company, Equities First Holdings LLC.

The ultimate parent undertaking of the only group in which the company is a member is Equities First Holdings LLC, a company incorporated in the US. This company produces group accounts.

12. RELATED PARTY DISCLOSURES

During the year ended 27 December 2016 the company was charged £40,998 (2015: £40,000) by Fleming McGillivray & Co Limited for the provision of compliance services. The director D J McGillivray is a director of Fleming McGillivray & Co Limited. At the balance sheet date amount owing to Fleming McGillivray & Co Limited by the company was £Nil (2015: £Nil)

13. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2016 £	2015 £
Loss for the financial year	(405,947)	(1,476,850)
New share capital subscribed	780,000	1,560,000
Issue of share capital		
	<hr/>	<hr/>
Net addition to shareholders' funds	374,053	83,150
Opening shareholders' funds	396,121	312,971
	<hr/>	<hr/>
Closing shareholders' funds	<u>770,174</u>	<u>396,121</u>