

**Strategic Report, Report of the Directors and
Financial Statements for the Year Ended 31 December 2018**
for
Equities First (London) Limited



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

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for the Year Ended 31 December 2018**

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Equities First (London) Limited
Company Information
for the Year Ended 31 December 2018

DIRECTORS: Mr A C Christy Jr
Mr D J McGillivray
Mr J F Mungovan
Mr A D Pereira

REGISTERED OFFICE: Challoner House
2nd Floor
19 Clerkenwell Close
London
England
EC1R 0RR

REGISTERED NUMBER: 08120457 (England and Wales)

AUDITORS: Maurice J. Bushell & Co.
Chartered Accountants
Challoner House
2nd Floor
19 Clerkenwell Close
London
EC1R 0RR

EQUITIES FIRST (LONDON) LIMITED (REGISTERED NUMBER: 08120457)

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018

The directors present their strategic report for the year ended 31 December 2018.

REVIEW OF BUSINESS.

The year 2018 was the fourth full year of ownership for Equities First Holdings LLC and it represented a further 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 continued focus on generating business in Europe and other markets 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 and Data Protection.

A Permanent Establishment was created by opening an office in Madrid.

The level of loans introduced by the firm was substantially more than the previous year. We look forward to further growth in 2019.

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. In addition, the parent company continues to support the firm in its efforts to introduce business.

BUSINESS ENVIRONMENT & STRATEGY.

The firm's efforts are concentrated in markets which can be split into three regions: the UK, mainland 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 continue to make more direct approaches to shareholders during 2019.

Southern Europe constitutes primarily Spain, France and Greece. In these countries the business environment is far better suited to our product. We continue to pursue 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.

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.

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

**Strategic Report
for the Year Ended 31 December 2018**

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

11 April 2019

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

**Report of the Directors
for the Year Ended 31 December 2018**

The directors present their report with the financial statements of the company for the year ended 31 December 2018.

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 31 December 2018.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2018 to the date of this report.

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

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;
- 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.

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.

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

**Report of the Directors
for the Year Ended 31 December 2018**

AUDITORS

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

ON BEHALF OF THE BOARD:



Mr J F Mungovan - Director

11 April 2019

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

Opinion

We have audited the financial statements of Equities First (London) Limited (the 'company') for the year ended 31 December 2018 which comprise the Income Statement, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- 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; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Directors.

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.

Responsibilities of directors

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, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.


Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Use of our report

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.



Stephen M Foster (Senior Statutory Auditor)
for and on behalf of Maurice J. Bushell & Co.
Chartered Accountants
Challoner House
2nd Floor
19 Clerkenwell Close
London
EC1R 0RR

Date: 23rd April 2019

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

**Income Statement
for the Year Ended 31 December 2018**

	Notes	Year Ended 31.12.18 £	Period 28.12.16 to 31.12.17 £
TURNOVER		2,935,631	2,949,079
Cost of sales		1,558,230	1,244,451
GROSS PROFIT		1,377,401	1,704,628
Administrative expenses		1,181,562	1,111,236
OPERATING PROFIT and PROFIT BEFORE TAXATION		195,839	593,392
Tax on profit	5	31,536	-
PROFIT FOR THE FINANCIAL YEAR		164,303	593,392

The notes form part of these financial statements

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

**Other Comprehensive Income
for the Year Ended 31 December 2018**

	Notes	Year Ended 31.12.18 £	Period 28.12.16 to 31.12.17 £
PROFIT FOR THE YEAR		164,303	593,392
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>164,303</u>	<u>593,392</u>

The notes form part of these financial statements

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

Balance Sheet
31 December 2018

	Notes	2018		2017	
		£	£	£	£
FIXED ASSETS					
Tangible assets	6		165,979		2,987
CURRENT ASSETS					
Debtors	7	444,155		257,849	
Cash at bank and in hand		1,240,578		1,211,220	
		<u>1,684,733</u>		<u>1,469,069</u>	
CREDITORS					
Amounts falling due within one year	8	291,307		108,490	
NET CURRENT ASSETS			<u>1,393,426</u>		<u>1,360,579</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			1,559,405		1,363,566
PROVISIONS FOR LIABILITIES	10		<u>31,536</u>		-
NET ASSETS			<u><u>1,527,869</u></u>		<u><u>1,363,566</u></u>
CAPITAL AND RESERVES					
Called up share capital	11		5,315,000		5,315,000
Share premium	12		352,440		352,440
Retained earnings	12		(4,139,571)		(4,303,874)
SHAREHOLDERS' FUNDS	15		<u><u>1,527,869</u></u>		<u><u>1,363,566</u></u>

The financial statements were approved by the Board of Directors on 11 April 2019 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 31 December 2018

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
Balance at 28 December 2016	5,315,000	(4,897,266)	352,440	770,174
Changes in equity				
Total comprehensive income	-	593,392	-	593,392
Balance at 31 December 2017	<u>5,315,000</u>	<u>(4,303,874)</u>	<u>352,440</u>	<u>1,363,566</u>
Changes in equity				
Total comprehensive income	-	164,303	-	164,303
Balance at 31 December 2018	<u>5,315,000</u>	<u>(4,139,571)</u>	<u>352,440</u>	<u>1,527,869</u>

The notes form part of these financial statements

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

**Cash Flow Statement
for the Year Ended 31 December 2018**

	Notes	Year Ended 31.12.18 £	Period 28.12.16 to 31.12.17 £
Cash flows from operating activities			
Cash generated from operations	1	197,548	521,423
Net cash from operating activities		<u>197,548</u>	<u>521,423</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(168,190)	(2,171)
Net cash from investing activities		<u>(168,190)</u>	<u>(2,171)</u>
Increase in cash and cash equivalents			
Cash and cash equivalents at beginning of year	2	1,211,220	691,968
Cash and cash equivalents at end of year	2	<u>1,240,578</u>	<u>1,211,220</u>

The notes form part of these financial statements

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

**Notes to the Cash Flow Statement
for the Year Ended 31 December 2018**

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

	Year Ended 31.12.18 £	Period 28.12.16 to 31.12.17 £
Profit before taxation	195,839	593,392
Depreciation charges	5,199	36,365
	<u>201,038</u>	<u>629,757</u>
Increase in trade and other debtors	(186,307)	(60,770)
Increase/(decrease) in trade and other creditors	182,817	(47,564)
	<u>197,548</u>	<u>521,423</u>
Cash generated from operations	<u>197,548</u>	<u>521,423</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 31 December 2018

	31.12.18 £	1.1.18 £
Cash and cash equivalents	<u>1,240,578</u>	<u>1,211,220</u>

Period ended 31 December 2017

	31.12.17 £	28.12.16 £
Cash and cash equivalents	<u>1,211,220</u>	<u>691,968</u>

The notes form part of these financial statements

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

**Notes to the Financial Statements
for the Year Ended 31 December 2018**

1. STATUTORY INFORMATION

Equities First (London) Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. 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.

TURNOVER

Turnover comprises revenue recognised by the company in respect of services supplied during the year, exclusive of Value Added Tax and Trade discounts. Revenue is recognised when a completion statement has been issued, signifying that the transaction has been settled.

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

Notes to the Financial Statements - continued
for the Year Ended 31 December 2018

2. **ACCOUNTING POLICIES - continued**
TAXATION

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of comprehensive income because of items of income or expense that are taxable or deductible in other year and items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on timing differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable timing differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible timing differences can be utilised. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Deferred tax liabilities are presented within provisions for liabilities and deferred tax assets within debtors. The measurement of deferred tax liabilities and asset reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current or deferred tax for the year is recognised in profit or loss, except when they related to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax is also recognised in other comprehensive income or directly in equity respectively.

The company makes use of accumulated losses for tax purposes from prior years against current year taxable profits. Such losses are not required to be recognised as a deferred tax asset in the accounts.

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.

PENSION COSTS AND OTHER POST-RETIREMENT BENEFITS

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

GOING CONCERN

The directors have not identified any material uncertainties related to events or conditions that may cast significant doubt about the company's ability to continue as a going concern.

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.

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.

EQUITIES FIRST (LONDON) LIMITED (REGISTERED NUMBER: 08120457)

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2018

2. **ACCOUNTING POLICIES - continued**

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.

3. **EMPLOYEES AND DIRECTORS**

	Year Ended 31.12.18 £	Period 28.12.16 to 31.12.17 £
Wages and salaries	1,484,323	999,387
Social security costs	193,286	129,838
Other pension costs	3,505	798
	<u>1,681,114</u>	<u>1,130,023</u>

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

	Year Ended 31.12.18	Period 28.12.16 to 31.12.17
Sales	3	3
Administration	1	3
Finance	1	1
	<u>5</u>	<u>7</u>

	Year Ended 31.12.18 £	Period 28.12.16 to 31.12.17 £
Directors' remuneration	<u>998,765</u>	<u>712,784</u>

Information regarding the highest paid director is as follows:

	Year Ended 31.12.18 £	Period 28.12.16 to 31.12.17 £
Emoluments etc	<u>842,969</u>	<u>579,659</u>

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

Notes to the Financial Statements - continued
for the Year Ended 31 December 2018

4. OPERATING PROFIT

The operating profit is stated after charging:

	Year Ended 31.12.18 £	Period 28.12.16 to 31.12.17 £
Other operating leases	168,335	149,523
Depreciation - owned assets	5,198	36,364
Auditors' remuneration	10,000	8,000
Foreign exchange differences	28,446	8,207
	<u>211,979</u>	<u>192,104</u>

5. TAXATION

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	Year Ended 31.12.18 £	Period 28.12.16 to 31.12.17 £
Deferred tax	31,536	-
Tax on profit	31,536	-
	<u>63,072</u>	<u>-</u>

6. TANGIBLE FIXED ASSETS

	Leasehold Improvements £	Fixtures and fittings £	Computer equipment £	Totals £
COST				
At 1 January 2018	161,184	49,018	31,187	241,389
Additions	-	158,257	9,933	168,190
At 31 December 2018	<u>161,184</u>	<u>207,275</u>	<u>41,120</u>	<u>409,579</u>
DEPRECIATION				
At 1 January 2018	161,181	49,018	28,203	238,402
Charge for year	-	3,297	1,901	5,198
At 31 December 2018	<u>161,181</u>	<u>52,315</u>	<u>30,104</u>	<u>243,600</u>
NET BOOK VALUE				
At 31 December 2018	<u>3</u>	<u>154,960</u>	<u>11,016</u>	<u>165,979</u>
At 31 December 2017	<u>3</u>	<u>-</u>	<u>2,984</u>	<u>2,987</u>

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

Notes to the Financial Statements - continued
for the Year Ended 31 December 2018

7. DEBTORS		
	2018	2017
	£	£
Amounts falling due within one year:		
Trade debtors	40,825	-
Other debtors	9,618	13,218
Intercompany	144,050	-
VAT	23,442	30,109
Prepayments and accrued income	120,835	141,754
	<u>338,770</u>	<u>185,081</u>
Amounts falling due after more than one year:		
Other debtors	<u>105,385</u>	<u>72,768</u>
Aggregate amounts	<u>444,155</u>	<u>257,849</u>
8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		
	2018	2017
	£	£
Trade creditors	146,690	27,565
PAYE Payable	116,100	66,464
Accrued expenses	28,517	14,461
	<u>291,307</u>	<u>108,490</u>
9. LEASING AGREEMENTS		
Minimum lease payments under non-cancellable operating leases fall due as follows:		
	2018	2017
	£	£
Within one year	227,656	145,204
Between one and five years	738,472	641,317
	<u>966,128</u>	<u>786,521</u>
10. PROVISIONS FOR LIABILITIES		
	2018	2017
	£	£
Deferred tax	<u>31,536</u>	<u>-</u>

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

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2018**

10. PROVISIONS FOR LIABILITIES - continued

	Deferred tax £
Provided during year	31,536
Balance at 31 December 2018	<u>31,536</u>

11. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	2018 £	2017 £
850,000	Ordinary	1	850,000	850,000
4,465,000	Perpetual Non-Cumulative Preference	1	4,465,000	4,465,000
			<u>5,315,000</u>	<u>5,315,000</u>

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.

12. RESERVES

	Retained earnings £	Share premium £	Totals £
At 1 January 2018	(4,303,874)	352,440	(3,951,434)
Profit for the year	164,303		164,303
At 31 December 2018	<u>(4,139,571)</u>	<u>352,440</u>	<u>(3,787,131)</u>

13. RELATED PARTY DISCLOSURES

During the year ended 31st December 2018 the company was charged £50,000 (2017: £50,090) 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 (2017: £Nil).

Amount owing from Equities First Holdings LLC at the balance sheet date is £144,050, comprising of management fee owed to Equities First (London) Limited £250,000 and a payment made on behalf of Equities First (London) Limited of £105,950.

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

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2018**

14. ULTIMATE CONTROLLING PARTY

The company is controlled by Equities First Holdings LLC (incorporated in the United States of America,) which is regarded by the directors as being the company's ultimate parent company. This company produces group accounts.

15. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2018	2017
	£	£
Profit for the financial year	164,303	593,392
Issue of share capital		
Net addition to shareholders' funds	<u>164,303</u>	<u>593,392</u>
Opening shareholders' funds	1,363,566	770,174
Closing shareholders' funds	<u><u>1,527,869</u></u>	<u><u>1,363,566</u></u>

16. RENTAL DEPOSITS

Amount included in other debtors totalling £105,385.39 is repayable after one year.