

REGISTERED NUMBER: 05531552 (England and Wales)

**REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2008
FOR
EARLY EQUITY PLC**

EARLY EQUITY PLC

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FOR THE YEAR ENDED 31 AUGUST 2008**

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EARLY EQUITY PLC

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 AUGUST 2008**

DIRECTORS:	R P Painting N D Mackay Sir B P Zissman
SECRETARY:	ABA Corporate Directors Ltd
REGISTERED OFFICE:	The Old Borough Hall 8 Borough Court Grammar School Lane Halesowen West Midlands B63 3SW
REGISTERED NUMBER:	05531552 (England and Wales)
AUDITORS:	Baker Tilly UK Audit LLP St Philips Point Temple Row Birmingham B2 5AF
ACCOUNTANTS:	J W Hinks Chartered Accountants 19 Highfield Road Edgbaston Birmingham B15 3BH

EARLY EQUITY PLC

CHAIRMAN'S REPORT FOR THE YEAR ENDED 31 AUGUST 2008

I am pleased to present the results for Early Equity for the twelve months to 31st August 2008, our first annual statement since flotation on PLUS Markets ("PLUS") on 31st October of 2007.

FINANCIAL KEY PERFORMANCE INDICATORS

	2008	2007
	£	£
Loss on ordinary activities before taxation	(49,461)	(4,084)

The loss before taxation for the twelve months of £49,461 was broadly in line with expectations. Based on a weighted average number of shares in issue of 37,362,866, resulted in a loss per share of 0.13p.

Flotation costs of £96,890 were written off against the share premium account.

Early Equity raised a total of £500,150 prior to listing on PLUS, leaving £403,260 after listing expenses. Investments costing a total of £234,550 have been made during the year, and at the end of August 2008 the company had cash balances of £123,604.

Since the Interim Statement Early Equity has made investments in two companies Perform Marketing Limited and Eclator Limited. A brief review of the current portfolio is shown below. All investments are valued in the balance sheet at cost, less any impairment reserve. Profit is not taken until realised. The markets remain very difficult indeed with small PLUS Market companies continuing to be marked down to prices well below normal market levels. In particular this has adversely affected Threes A Crowd which has been marked down by the market makers to 0.5p - 1.0p significantly below the last traded price of 2.0p per share. However, valuing the publicly traded companies at their bid prices the investments show a healthy premium of £108,350 over cost.

The board monitors the performance of its investments on a regular basis, taking a broad position where possible. In addition to the main financial indicators the board reviews a range of non financial indicators. Investments can be of a long term nature and maintenance and increase in capital value is a key objective. The board monitors the business environment in which each of its investments operates, trends within both the company and the sector in which it operates. Within Early Equity the board maintains a pipeline of potential investment opportunities in various stages of review and negotiation. Assessment will be made of the relative strength of the sectors both currently and in the future.

Over the course of 2008, equity market conditions deteriorated along with the appetite for new PLUS issues. In order to adapt to the changing environment, Early Equity is undertaking a review of its business model. Whilst this is a transitional stage, it is likely to see increasing focus on generating fee income by the provision of strategic advice and management services, and by taking directorships in its key investments. This is likely to be coupled with a greater focus on private sector companies and the provision of very early stage equity.

Early Equity has taken a decision to seek a dual listing on Investbx the fledgling market for West Midlands growth companies. It is believed that this association will prove invaluable in terms of fundraising, raising the profile in the region of operation and in terms of deal opportunities for Early Equity.

The Early Equity brand continues to develop with its profile being raised considerably, particularly in the West Midlands, which we believe will be further strengthened with the dual listing on Investbx. The management team continues to work hard to source and develop the deal stream and investment opportunities.

Since the end of our financial year markets and the immediate outlook of the economy continue to be depressed and whilst we continue to make progress on many fronts we need to be realistic in the expectations of the current year's results.

EARLY EQUITY PLC

CHAIRMAN'S REPORT FOR THE YEAR ENDED 31 AUGUST 2008

REVIEW OF INVESTMENTS

Company	% Holding	Cost £	Market Value £
Perform Marketing Limited	1.58%	20,000	20,000
Eclector Limited	15.0%	37,500	37,500
Alpha Prospects Plc (PLUS listed)	15.2%	150,000	250,000
Threes A Crowd Plc (PLUS listed)	2.37%	25,050	33,400
Plus Investors Limited	-	2,000	-
Total		234,550	340,900

Note: PLUS Market investments have been valued at bid price as at the date of this statement. Private companies have been shown at cost of investment less any impairment reserve considered necessary.

Perform Marketing Limited (Cost of investment £20,000 - 1.58% of total equity.)

Perform Marketing Limited was founded by Adam Abrams a qualified solicitor who chose to become an entrepreneur rather than pursue a legal career with the London based corporate firm with which he qualified.

The business has raised over £750k of business angel finance and operates in excess of 10,000 washroom based vending machines principally through a range of the major pub chain operators in the UK and also Tesco and Little Chef. The machines dispense the traditional condoms, sanitary products plus a new range of herbal sexual supplements and adult toys where the market is growing very quickly.

A further acquisition has seen the company expand into the "front of house vending" with a range of skill and prize based machines again via relationships with major pub operators.

Eclector Limited (Cost of investment £37,500 - 15% of total equity)

This is an exciting concept in the field of internet book retailing. Eclector enables clubs, societies, charities, hospitals, educational establishments and the like to open their own online bookshops, allowing them to retain half of the gross margin on any sales they make. This concept of "shared profit retailing" with the bookshop to all intents and purposes appearing to be "owned" by the operator.

Eclector was founded by William Pryor, a published author with a over thirty years of experience in the book trade and extensive experience of the internet, he was a co founder of the Airlift Book Company, a multi million pound turnover business in the distribution of US books in Europe.

This is a very early stage investment to enable the company to be brought to market and developed. We believe this to be an exciting and innovative approach to online retailing and demonstrates our strategy of seeking out and providing early stage investments to companies with high growth potential.

The intention is for the company to seek a PLUS listing during 2009.

Three's a Crowd plc (Cost of investment £25,050 - 2.37% of equity)

This was the first investment made by Early Equity. The company is a PLUS quoted event management and lifestyle company, originally fronted by celebrity socialite Tara Palmer - Tomkinson. The company already organised several high profile events and continues to develop in line with expectations.

EARLY EQUITY PLC

CHAIRMAN'S REPORT FOR THE YEAR ENDED 31 AUGUST 2008

In August, Three's A Crowd Plc and international publishing company Boutique Editions Ltd have joined forces to create Vespers All Round Ltd. The joint venture will exploit Three's A Crowd's experience in producing high-quality events, and Boutique Editions' extensive international reach as a producer of publications for entertainment trade shows around the world.

The strategic objective is to develop a brand through organic growth coupled with selective acquisitions and to extend the brand into other areas.

Alpha Prospects Plc (Cost of investment £150,000 - 15.2% of equity)

Early Equity made a second investment in January 2008 with Early Equity instrumental in helping the company raise £732,000 to enable it to list on PLUS. The company is a Special Purpose Vehicle formed to invest in niche independent travel businesses.

In February 2008, Alpha entered into a convertible loan agreement with UHN Limited whereby until February 2009 Alpha has the right to convert its loan stock into 45% of the equity of UHN, with the option to purchase the balance of shares in exchange for 18,518,518 million shares in Alpha.

Trading conditions have been very difficult in 2008 with a noticeable worsening in September and October as the market turbulence and fears of recession worsened. However, the management of Alpha continue to seek acquisitions and has entered into discussion with several companies in which it has an interest.

PLUS Investors Limited (Cost £2000 - Impairment reserve £2000)

A small investment was made in PLUS Investors Limited an investment company formed to invest in PLUS listed companies. In view of the market conditions it has not been possible to raise sufficient funds to enable the company to float on PLUS. Whilst the company is fully invested with the funds it has, a conservative line has been taken and an impairment provision made to reduce the carrying value to nil.

Sir Bernard Zissman

Date : 16th January 2009

EARLY EQUITY PLC

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 AUGUST 2008

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

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of an investment company.

REVIEW OF BUSINESS

The results for the year and financial position of the company are as shown in the annexed financial statements.

The company was listed on PLUS market, a facility managed by PLUS Market Group Plc, on the 31 October 2007.

The directors' review of the year, results and prospects for the forthcoming year, as required by the Companies Act 1985, are included in the Chairman's Statement on page 2. The statement is deemed to be included as part of the directors' report. This review encompasses the disclosure of financial and non-financial key performance indicators as required by section 234 of the Companies Act 1985.

DIVIDENDS

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

DIRECTORS

The directors during the year under review were:

R P Painting
N D Mackay
Sir B P Zissman

COMPANY'S POLICY ON PAYMENT OF CREDITORS

It is the company's policy to settle terms of payment with suppliers when agreeing terms of each transaction, and to ensure that those suppliers are made aware of these terms and to comply with such terms agreed.

In respect of the above policy the calculation of the average payment period is not appropriate to disclose the average payment period in accordance with the Companies Act 1985 Schedule 7 paragraph 12 as trade creditors relate to the provision of services included in the accounts in administrative expenses. There were no trade creditors at 31 August 2008.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The company faces a number of risks to its investments. Given the early stage in the development of most of its investments the inherent risk is high. The company will take non executive board positions where possible which enables it to monitor the performance of the company, its management and to identify and remedy any potential problem areas within the investments. Macro economic and stock markets risks are monitored and the company is proactive in taking preventative action to mitigate these risks wherever possible. However certain risks are beyond the control of the company's management.

The company had no hedging arrangements at 31 August 2008. The company has no interest bearing assets or liabilities and has engaged in no foreign exchange transactions during the year. The company therefore has no interest rate or currency risk. The directors manage liquidity and cashflow risks on a regular basis to ensure that the company has adequate working capital.

NON FINANCIAL KEY PERFORMANCE INDICATORS

The company seeks to ensure that responsible business practice is fully integrated into the management of all its operations and in particular the identification of viable investment opportunities. It believes that the consistent adoption of responsible business practice is essential for operational success which in the medium to long term will deliver sustained profitability. In a company of this nature the directors believe that there are several non financial performance indicators but none individually are considered to be key.

EARLY EQUITY PLC

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 AUGUST 2008**

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual Report 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). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the company's auditors are unaware, and each director has taken all the steps that he 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

J W Hinks resigned as auditors during the year and Baker Tilly UK Audit LLP were appointed. A resolution to reappoint Baker Tilly UK Audit LLP as auditors will be put to the members at the Annual General Meeting.

ON BEHALF OF THE BOARD:

.....
R P Painting - Director

Date: 16th January 2009.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF EARLY EQUITY PLC

We have audited the financial statements of Early Equity Plc for the year ended 31 August 2008 on pages eight to seventeen. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out on page six.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Report of the Directors is consistent with the financial statements.

In addition, we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Report of the Directors and the Chairman's Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 August 2008 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

Baker Tilly UK Audit LLP
St Philips Point
Temple Row
Birmingham
B2 5AF

Date: ...16th January 2009

EARLY EQUITY PLC

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2008

	Notes	2008 £	2007 £
TURNOVER		16,183	-
Cost of sales		<u>250</u>	<u>-</u>
GROSS PROFIT		15,933	-
Administrative expenses		<u>69,183</u>	<u>5,058</u>
OPERATING LOSS	3	(53,250)	(5,058)
Interest receivable and similar income		<u>5,819</u>	<u>974</u>
		(47,431)	(4,084)
Amounts written off investments	4	<u>2,000</u>	<u>-</u>
		(49,431)	(4,084)
Interest payable and similar charges	5	<u>30</u>	<u>-</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(49,461)	(4,084)
Tax on loss on ordinary activities	6	<u>-</u>	<u>-</u>
LOSS FOR THE FINANCIAL YEAR AFTER TAXATION		<u>(49,461)</u>	<u>(4,084)</u>
Earnings per share expressed in pence per share:	7		
Basic		-0.13	-0.13
Diluted		<u>-0.13</u>	<u>-0.13</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 losses for the current year or previous year.

The notes form part of these financial statements

EARLY EQUITY PLC

**BALANCE SHEET
31 AUGUST 2008**

		2008		2007 as restated	
	Notes	£	£	£	£
FIXED ASSETS					
Investments	9		232,650		-
CURRENT ASSETS					
Debtors	10	3,789		10,000	
Cash at bank		<u>123,604</u>		<u>184,005</u>	
		127,393		194,005	
CREDITORS					
Amounts falling due within one year	11	<u>10,328</u>		<u>83,089</u>	
NET CURRENT ASSETS			<u>117,065</u>		<u>110,916</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>349,715</u>		<u>110,916</u>
CAPITAL AND RESERVES					
Called up share capital	12		197,170		115,000
Share premium	13		206,090		-
Profit and loss account	13		<u>(53,545)</u>		<u>(4,084)</u>
SHAREHOLDERS' FUNDS	16		<u>349,715</u>		<u>110,916</u>

The financial statements were approved by the Board of Directors on 16th January 2009 and were signed on its behalf by:

.....
R P Painting - Director

.....
Sir BP Zissman - Director

The notes form part of these financial statements

EARLY EQUITY PLC**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2008**

	Notes	2008 £	2007 £
Net cash (outflow)/inflow from operating activities	1	(119,800)	68,032
Returns on investments and servicing of finance	2	5,789	974
Capital expenditure and financial investment	2	(234,650)	-
		(348,661)	69,006
Financing	2	288,260	114,999
(Decrease)/Increase in cash in the period		<u>(60,401)</u>	<u>184,005</u>
<hr/>			
Reconciliation of net cash flow to movement in net funds	3		
(Decrease)/Increase in cash in the period		<u>(60,401)</u>	<u>184,005</u>
Change in net funds resulting from cash flows		<u>(60,401)</u>	<u>184,005</u>
Movement in net funds in the period		<u>(60,401)</u>	184,005
Net funds at 1 September		<u>184,005</u>	-
Net funds at 31 August		<u>123,604</u>	<u>184,005</u>

The notes form part of these financial statements

EARLY EQUITY PLC

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2008

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

	2008	2007
	£	£
Operating loss	(53,250)	(5,058)
Decrease/(Increase) in debtors	6,211	(9,999)
(Decrease)/Increase in creditors	<u>(72,761)</u>	<u>83,089</u>
Net cash (outflow)/inflow from operating activities	<u>(119,800)</u>	<u>68,032</u>

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

	2008	2007
	£	£
Returns on investments and servicing of finance		
Interest received	5,819	974
Interest paid	<u>(30)</u>	<u>-</u>
Net cash inflow for returns on investments and servicing of finance	<u>5,789</u>	<u>974</u>
Capital expenditure and financial investment		
Purchase of fixed asset investments	<u>(234,650)</u>	<u>-</u>
Net cash outflow for capital expenditure and financial investment	<u>(234,650)</u>	<u>-</u>
Financing		
Share issue	385,150	114,999
Flotation costs	<u>(96,890)</u>	<u>-</u>
Net cash inflow from financing	<u>288,260</u>	<u>114,999</u>

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.9.07	Cash flow	At
	£	£	31.8.08
			£
Net cash:			
Cash at bank	<u>184,005</u>	<u>(60,401)</u>	<u>123,604</u>
	<u>184,005</u>	<u>(60,401)</u>	<u>123,604</u>
Total	<u>184,005</u>	<u>(60,401)</u>	<u>123,604</u>

The notes form part of these financial statements

EARLY EQUITY PLC

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

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards.

Exemption from preparing consolidated financial statements

The financial statements contain information about Early Equity Plc as an individual company and do not contain consolidated financial information as the parent of a group

The dormant subsidiary, EE Corporate Services Limited, has been excluded from the consolidation on the grounds of materiality, as permitted by FRS 2.

Turnover

Turnover represents amounts realised from sales of investments, provision of strategic and management advice, and services as directors.

Investments

Fixed asset investments are shown at cost less provision for any impairment where the recoverable amount is less than cost. Fixed asset investments are initially stated at cost, being their purchase cost together with any incidental expenses of acquisitions.

The carrying values of fixed asset investments are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

Any impairment of fixed asset investments is charged to the profit and loss account in the year in which it arises.

The market value of listed investments is disclosed at market bid price.

Share capital and equity instruments

Ordinary share capital issued by the company is recorded at the proceeds received, net of direct issue costs.

2. STAFF COSTS

	2008	2007
	£	£
Directors' emoluments	<u>23,021</u>	<u>-</u>

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

	2008	2007
Directors	<u>3</u>	<u>3</u>

EARLY EQUITY PLC

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

3. OPERATING LOSS

The operating loss is stated after charging:

	2008	2007
	£	£
Auditors' remuneration	<u>5,875</u>	<u>2,938</u>

4. AMOUNTS WRITTEN OFF INVESTMENTS

	2008	2007
	£	£
Amounts written off investments	<u>2,000</u>	<u>-</u>

5. INTEREST PAYABLE AND SIMILAR CHARGES

	2008	2007
	£	£
Bank interest	<u>30</u>	<u>-</u>

6. TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose on ordinary activities for the year ended 31 August 2008 nor for the year ended 31 August 2007.

Factors affecting the tax charge

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

	2008	2007
	£	£
Loss on ordinary activities before tax	<u>(49,461)</u>	<u>(4,084)</u>
Loss on ordinary activities multiplied by the standard rate of corporation tax for small companies in the UK of 21% (2007 - 20%)	(10,387)	(817)
Effects of: Losses not utilised	<u>10,387</u>	<u>817</u>
Current tax charge	<u>-</u>	<u>-</u>

EARLY EQUITY PLC

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

7. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period.

Reconciliations are set out below.

	Earnings £	2008 Weighted average number of shares	Per-share amount pence
Basic and diluted EPS			
Earnings attributable to ordinary shareholders	(49,461)	37,362,866	-0.13
	Earnings £	2007 Weighted average number of shares	Per-share amount pence
Basic and diluted EPS			
Earnings attributable to ordinary shareholders	(4,084)	3,150,686	-0.13

8. PRIOR YEAR ADJUSTMENT

In the previous year, amounts received for share capital in advance of the issue of those shares, were disclosed as part of the company's capital and reserves.

These amounts have been reclassified as other creditors.

The effect of this prior year adjustment is to reduce the company's net assets in the previous year by £79,500. There has been no effect on the profit and loss account.

EARLY EQUITY PLC

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

9. FIXED ASSET INVESTMENTS

	Shares in group undertakings £	Listed investments £	Unlisted investments £	Totals £
COST				
Additions	<u>100</u>	<u>175,050</u>	<u>59,500</u>	<u>234,650</u>
At 31 August 2008	<u>100</u>	<u>175,050</u>	<u>59,500</u>	<u>234,650</u>
PROVISIONS				
Provision for year	<u>-</u>	<u>-</u>	<u>2,000</u>	<u>2,000</u>
At 31 August 2008	<u>-</u>	<u>-</u>	<u>2,000</u>	<u>2,000</u>
NET BOOK VALUE				
At 31 August 2008	<u><u>100</u></u>	<u><u>175,050</u></u>	<u><u>57,500</u></u>	<u><u>232,650</u></u>

Market value of listed investments at 31 August 2008 - £283,400.

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

EE Corporate Services Limited

Country of incorporation: England and Wales

Nature of business: Dormant

	%	
	holding	
Class of shares:		
Ordinary	100.00	
		2008
		£
Aggregate capital and reserves		<u><u>100</u></u>

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2008	2007
	£	£
Trade debtors	833	-
Other debtors	<u>2,956</u>	<u>10,000</u>
	<u><u>3,789</u></u>	<u><u>10,000</u></u>

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2008	2007
	£	as restated £
Social security and other taxes	965	-
Other creditors	100	79,500
Accrued expenses	<u>9,263</u>	<u>3,589</u>
	<u><u>10,328</u></u>	<u><u>83,089</u></u>

EARLY EQUITY PLC

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

12. CALLED UP SHARE CAPITAL

Authorised: Number	Class:	Nominal Value	2008 £	2007 £
200,000,000	Ordinary	0.5p	<u>1,000,000</u>	<u>1,000,000</u>

Allotted, issued and fully paid: Number:	Class:	Nominal Value	2008 £	2007 £
39,434,001	Ordinary	0.5p	<u>197,170</u>	<u>115,000</u>

During the year the company issued 16,434,001 ordinary shares of 0.5p each at a premium for cash.

13. RESERVES

	Profit and loss account £	Share premium £	Totals £
At 1 September 2007	(4,084)	-	(4,084)
Deficit for the year	(49,461)		(49,461)
Cash share issue	-	302,980	302,980
Flotation costs	-	(96,890)	(96,890)
At 31 August 2008	<u>(53,545)</u>	<u>206,090</u>	<u>152,545</u>

14. RELATED PARTY DISCLOSURES

Mr R P Painting, director, has a personal interest in some of the company's listed and unlisted investments as follows;

Alpha Prospects Plc - 1,450,000 0.5p ordinary shares and 725,000 warrants to subscribe for 0.5p ordinary shares any time before 18th January 2010, exercisable at 3.0 pence per share

Plus+ Investors Limited - 4,333,333 0.1p Ordinary shares

Eclector Limited - 6,250 0.1p Ordinary shares

Until his resignation on 21 August 2008 Mr R P Painting was a director of Addworth PLC, which owned 25.36% of the share capital of the company.

A further 1,000,000 shares in the company are held by SC2000 Limited, a company 100% owned by Mr Painting and his wife.

Mr R P Painting, Mr N D Mackay and Sir B P Zissman are directors in ABA Corporate Finance Limited, which owns 2.5% of the share capital of the company.

EARLY EQUITY PLC

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

15. ULTIMATE CONTROLLING PARTY

No shareholder is in control or ultimate control of the company.

16. RECONCILIATION OF MOVEMENTS IN RESERVES

	2008	2007 as restated
	£	£
Loss for the financial year	(49,461)	(4,084)
Increase in share capital	<u>288,260</u>	<u>114,999</u>
Net addition to reserves	238,799	110,915
Opening reserves : (originally £190,416 before deducting prior year adjustment of £79,500)	<u>110,916</u>	<u>1</u>
Closing reserves	<u>349,715</u>	<u>110,916</u>

17. FINANCIAL INSTRUMENTS

Treasury management

The company's financial instruments comprise investment in ordinary shares, cash, short-term deposits and short-term debtors and creditors that arise directly from its operations. The main purpose of these financial instruments is to fund the company's operations as well as to manage working capital requirements.

It is, and has been throughout the period under review, the company's policy not to enter into derivative transactions and no trading in financial instruments has been undertaken. The company faces few risks in respect of its financial instruments.

Interest rate risk

At 31 August 2008, the company has no borrowings.

Interest rate exposure of financial assets and liabilities

The net cash and bank balance at 31 August 2008 amounted to £123,604.

The company has no financial liabilities at 31 August 2008.

Fair value of financial assets and liabilities

The book value of financial instruments held or issued to finance the company's operations are not materially different from the fair value of those instruments.