

DIRECTORS' REPORT YEAR ENDED 30 JUNE 2009

THE DIRECTORS HAVE PLEASURE IN PRESENTING THEIR REPORT AND THE FINANCIAL STATEMENTS OF THE COMPANY FOR THE YEAR ENDED 30 JUNE 2009.

PRINCIPAL ACTIVITIES

The principal activity of the company during the year was that of furthering the interests of the members and former members of the Equitable Life Assurance Society. On incorporation the company took over the assets and liabilities of the Equitable Members Action Group, an unincorporated association which then ceased its activities. The company has indemnified the former Committee of the unincorporated association for any costs or expenses which might arise for their former activities for the association.

DIRECTORS

The directors during the period under review were:

Nicolas Jerome Bellord
Paul Nicholas Braithwaite (*Secretary*)
Christopher Stuart Carnaghan
Alexander Richard Kelvin Henney
Thomas William Lake
Betty McCann
John Arthur Newman
Leslie James Seymour
Colin David Slater
M A Neal (*Retired 15 July 2008*)

All the directors, being eligible, offer themselves for election at the forthcoming Annual General Meeting.

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.



Paul Braithwaite
Company Secretary

DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Directors' 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). 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 those 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;
- 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.

In so far as the directors are aware:

- there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

AUDITOR

Turner Hampton Auditors Limited are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

AUDITOR'S REPORT

We have audited the financial statements of Equitable Members Action Group Limited for the year ended 30 June 2009. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the company's members, as a body, in accordance with Sections 495 and 496 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to

state to them in 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 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 AUDITOR

As explained more fully in the Directors' Responsibilities Statement set out on pages 2 to 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB'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 directors; and the overall presentation of the financial statements.

OPINION ON FINANCIAL STATEMENTS In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2009 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Directors' Report 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

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- we have not received all the information and explanations we require for our audit; or
 - the directors were not entitled to prepare the financial statements and the directors' report in accordance with the small companies regime.
- These financial statements have been signed by G Sole FCCA, (Senior statutory auditor)
for and on behalf of Turner Hampton Auditors Limited, Statutory Auditor.

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 JUNE 2009

Notes	Notes	2009 £	2008 £
TURNOVER		884,272	240,997
Administrative expenses		741,758	277,249
OPERATING (LOSS) PROFIT	2	142,514	(36,252)
Interest receivable		1,334	7,332
PROFIT (LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		143,848	(28,920)
Tax on PROFIT (loss) on ordinary activities		280	1,497
PROFIT (LOSS FOR THE FINANCIAL YEAR)		143,568	(30,417)

BALANCE SHEET 30 JUNE 2009

		2009 £	2008 £
CURRENT ASSETS:			
Debtors	3	2,093	7,050
Cash at bank		401,009	211,679
		403,102	218,729
CREDITORS: Amounts falling due within one year	4	73,861	33,056
NET CURRENT ASSETS:		329,241	185,673
TOTAL ASSETS LESS CURRENT LIABILITIES:		329,241	185,673
RESERVES:			
Other reserves	8	150,897	150,897
Profit and loss account	8	178,334	34,776
MEMBERS' FUNDS		329,241	185,673

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR TO 30 JUNE 2009

1 ACCOUNTING POLICIES

Basis of accounting The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

Turnover The turnover shown in the profit and loss account represents receipts from members as contributions towards the activities of the company.

		2009 £	2008 £
2. OPERATING PROFIT (LOSS)	Operating profit/(loss) is stated after charging:		
Directors' remuneration		-	-
Auditor's fees		2,886	588
3. DEBTORS			
Other debtors		2,093	7,050
4. CREDITORS: Amounts falling due within one year			
Trade creditors		66,751	29,819
Corporation Tax		1,765	1,485
Other creditors		5,345	1,752
		73,861	33,056

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5. TAXATION

The Company's major activity does not constitute a trade and is not taxable. However the deposit income is subject to tax.

6. RELATED PARTY TRANSACTIONS

The company was under the control of the directors throughout the current and previous years.

During the year ended 30 June 2009, the following transactions with individuals and firms connected with the directors took place:

Leisure Advertising Limited, a company incorporated in England and controlled by Mr P N Braithwaite, received £45,521 (2008 - £42,475) for professional services and reimbursed expenses.

Burgess Hodgson, Chartered Accountants, a firm in which Mr C D Slater is a partner, received £115,808 (2008 - £110,031) for professional services and reimbursed expenses.

EEE Limited, a company incorporated in England and controlled by Mr A R K Henney, received £2,400 (2008 - £7,885) for professional services and reimbursed expenses.

Interglossa Limited, a company incorporated in England and controlled by Mr T W Lake, received £805 for professional services and reimbursed expenses. Mr T W Lake also received £597 for reimbursed expenses.

Mr N J Bellord received £7,310 (2008 - £8,004) for professional services and reimbursed expenses.

Mr L J Seymour received £1,577 (2008 - £2,020) for reimbursed expenses.

No other transactions with related parties were undertaken such as are required to be disclosed under FRSSE (effective April 2008).

7. COMPANY LIMITED BY GUARANTEE

The company is limited by guarantee and each member undertakes to contribute a sum not exceeding £1 under certain circumstances as set out in clause 5 of the Memorandum of Association.

8. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENT ON RESERVES

	Other reserves	Profit and loss account	Total share- holders' funds
	£	£	£
Balance brought forward	150,897	34,776	185,673
Profit for the year	-	143,568	143,568
Balance carried forward	150,897	178,344	329,241

9. POST BALANCE SHEET EVENTS AND CONTINGENT LIABILITIES

On 9 April 2009 Equitable Members Action Group Limited issued a claim for the judicial review of the Treasury's rejection of some of the Parliamentary Ombudsman's findings in her Report, "Equitable Life: a decade of regulatory failure".

This litigation forms part of Equitable Members Action Group Limited's overall political campaign to reinstate both the Parliamentary Ombudsman's findings and her recommendation of an independent tribunal to supervise the distribution of compensation, which the directors believe would be advantageous to the members of Equitable Members Action Group Limited. If the Court finds in the company's favour, the Treasury will be required to rethink its decisions and present a new scheme to Parliament.

The case was heard from 21 to 23 July 2009 before the Lord Justice Carnwath and Mr Justice Gross. As far as the directors and the company's legal advisers can tell, the hearing went well. Judgement is not expected until October 2009, after these accounts have been presented to the members.

Equitable Members Action Group Limited's only monetary interest in the case is the matter of costs. Full provision has been made in these accounts for the company's legal and professional costs incurred up to the balance sheet date of 30 June 2009. No provision has been made in respect of the costs of the July 2009 hearing of £155k.

Once the Court has reached decisions on the various matters in dispute, it could make an order for costs, in respect of each matter, of the winning party to be paid by the losing party. In the event of one side winning all the points, then the losing side, which could be Equitable Members Action Group Limited, might be at risk of an order for costs of up to £200k. Realistically, given that there are about ten matters in dispute, it is unlikely that one side or the other would win comprehensively on all counts such as to require a contribution of this magnitude.

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DETAILS OF INCOME & EXPENDITURE

	Year to 30 June 2009		Year to 30 June 2008	
	£	£	£	£
INCOME				
Subscriptions		574,206		240,996
Contributions to Fighting Fund		310,067		-
Bank Interest received		1,334		7,332
		885,607		248,328
EXPENDITURE				
Mailing Costs & Postage, including 3 mailings to 200,000 (approx) addresses		279,300		17,657
Professional Fees				
Political Consultants - Bell Pottinger		44,948		17,625
Solicitors - Bindman & Partners (inc. Counsel)		5,451		29,130
Actuarial - Steve Dixon Associates		-		17,394
Public Relations & Regional Groups - Paul Weir		32,675		10,575
European Lawyer - Christophe Boeraeve		-		859
Auditor - Turner Hampton		2,886		1,469
Judicial Review				
Bindman & Partners (inc. Counsel)	133,075			
Burgess Hodgson	16,744			
Steve Dixon Associates	6,912	156,732		-
Regional Organisation Expenses				
		49,715		-
Other Costs		13,499		12,124
Individuals & Firms connected with the Directors				
Leisure Advertising Limited - Paul Braithwaite Services of General Secretary		45,521		42,475
Burgess Hodgson, Chartered Accountants - Colin Slater				
PO2 Report - Including Response to Final PO Report, Govt Response, PASC Submissions	39,676		69,668	
Compensation Reports & Calculations	16,865		7,055	
Major Mail-shot Project	32,184		27,699	
Management of EMAG Database and processing contributions	10,126		4,534	
Other	2,470	101,321	1,075	110,031
Alex Henney - Aspects of PO Report		2,400		7,884
Nicholas Bellord - Aspects of PO Report		7,311		8,004
Leslie Seymour - European Activities		-		2,020
Expenditure		741,759		277,248
Surplus/(Deficit) for the Period		143,848		(28,920)
Taxation		280		1,497
Surplus/(Deficit) for the Period - after Tax		143,568		(30,417)