

REGISTERED NUMBER: 255647 (England and Wales)

**REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2009
FOR
BWA GROUP PLC**

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BWA GROUP PLC

**COMPANY INFORMATION
FOR THE YEAR ENDED 30 APRIL 2009**

DIRECTORS:	D Steavenson (Chairman) R Battersby
SECRETARY:	JMV Butterfield
REGISTERED OFFICE:	50 Broadway Westminster London SW1H 0BL
REGISTERED NUMBER:	255647 (England and Wales)
AUDITORS:	Additions Queen Insurance Buildings 7 Queen Avenue Liverpool Merseyside L2 4TZ
SOLICITORS:	Bircham Dyson Bell 50 Broadway Westminster London SW1H 0BL
REGISTRARS:	Share Registrars Limited First Floor 9 Lion and Lamb Yard Farnham Surrey GU9 7LL

For a number of years the Company has been through a series of fund-raising and share capital restructurings and has sought to source and execute several acquisitions, which for one reason or another have failed to complete. These activities and the payment of on-going minimal overheads, including the preparation of these accounts, have now all but depleted the Company's cash resources and it has no other assets.

Specifically, after the failure to secure and complete the transaction referred to in last year's statement the Company has been effectively dormant during the whole of 2009 and for the financial year ended 30th of April 2009 achieved a Loss before Tax of £7,364. Careful negotiation has led to a total reduction of the Company's indebtedness and its settlement, without resorting to raising additional capital.

At the end of September 2009, Richard Armstrong and Peter Redmond resigned as directors and Richard Battersby FCA has been appointed a director and he along with the current Chairman and the Company Secretary have sought to develop a focussed strategy to underpin and provide some value to BWA Group Plc's shareholders.

The intention of the restructured board, having examined all of the options open to the Company, is in the first instance to raise sufficient investment funds to enable the Company's shares to be admitted to the Plus-quoted Market as an Investment Vehicle. Discussions about this are in hand at the moment and, if successful, shareholders will be contacted again towards the end of the year and offered the opportunity of participating in the proposed fund raising.

The new board of Directors, who have considerable experience in successfully creating and developing businesses, believe that with the recession in the UK now showing signs of bottoming out, there will be numerous opportunities for the Company to invest in mature, profitable, lowly borrowed businesses engaged largely in manufacturing and trading activities.

**D Steavenson
Chairman**

BWA GROUP PLC

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 30 APRIL 2009

The directors present their report with the financial statements of the Company for the year ended 30 April 2009.

PRINCIPAL ACTIVITY

The Company did not trade during the year under review.

REVIEW OF BUSINESS

The results for the year and financial position of the Company are set out in the attached financial statements.

The review of business is referred to within the Chairman's Statement.

KEY PERFORMANCE INDICATOR

BWA has minimised the administration costs in line with the annual budget.

DIVIDENDS

No dividends will be distributed for the year ended 30 April 2009.

DIRECTORS

The directors during the year under review were:

D Steavenson
R Armstrong
P Redmond

Messrs Armstrong and Redmond resigned on 25 September 2009 and Mr. R Battersby was appointed on 2 October 2009.

SUBSTANTIAL SHAREHOLDINGS

At the date of approval of the financial statements the following interests of three percent or more of the issued ordinary share capital had been notified to the Company:

	Number	%
Ordinary 0.5p shares		
Resource Services Limited	10,000,000	25.48
Fiske Nominees	6,475,000	16.50
Bath Limited	2,575,880	6.56
P Redmond	2,475,000	6.31
J Butterfield	1,899,000	4.84
R Armstrong	1,800,000	4.58
WB Nominees	1,250,144	3.18
Merchant House Group plc	1,200,000	3.06

COMPANY'S POLICY ON PAYMENT OF CREDITORS

The Company endeavours to ensure that all payments to suppliers are made within mutually agreed credit terms, although it does not follow any specified code or standard payment practice. In cases where a dispute arises, the Company seeks to resolve it promptly and amicably to minimise delays in payment.

FINANCIAL RISK MANAGEMENT

Information relating to the Company's financial risk management is set out in note 13 of the financial statements.

GOING CONCERN

On the basis of current financial projections and facilities available to the company and after making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in business for the foreseeable future. To date, the company has benefited from capital injections from its shareholders, and whilst there is no commitment to provide further funding the company expects there to be additional funding in this manner if required in the future. For this reason they have adopted the going concern basis in preparing the financial statements.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standard (United Kingdom Generally Accepted Accounting Practice). Company law requires the Directors to prepare financial statements for each financial year. The company 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 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;
- state that the Company financial statements comply with applicable accounting standards, subject to any material departures disclosed and explained in the financial statements;
- prepare the Company financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors confirm that they have complied with the above requirements in preparing the financial statements.

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the Company 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.

The Directors are responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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

AUDITORS

Additions Accountants Limited have expressed their willingness to remain in office as auditors of the Company.

ON BEHALF OF THE BOARD:

.....
R Battersby - Director

30 October 2009

REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF BWA GROUP PLC

We have audited the financial statements of BWA Group plc for the period ended 30 April 2009 which comprise the profit and loss account, the balance sheet, the cash flow statement and the related notes. 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 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 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 United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that the financial statements give a true and fair view are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). In forming our opinion we are also required to comply with the Auditing Practice Board's Ethical Standards.

We report to you our opinion as to whether the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, have been prepared in accordance with the Companies Act 2006, and give a true and fair view. We also report to you whether 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 adequate accounting records, if we have not received all the information and explanations we require for our audit, or if certain disclosures of information of directors' remuneration specified by law are not made.

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 Statement. 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 judgments 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 30 April 2009 and of the loss for the period then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- the financial statements have been properly prepared in accordance the Companies Act 2006; and
- the information given in the Report of the Directors is consistent with the financial statements for the period ended 30 April 2009.

**REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF
BWA GROUP PLC**

Emphasis of matter - Going concern

In forming our opinion, we have considered the adequacy of the disclosures made in the Accounting Policies - Basis of Preparing the Financial Statements on page 9 of the financial statements concerning future financing. In view of the significance of this matter in the preparation of the financial statements on the going concern basis, we consider that this disclosure should be drawn to your attention, but our opinion is not qualified in this respect.

Maxine Desse (Senior Statutory Auditor)

For and on behalf of
ADDITIONS
Statutory Auditors
& Chartered Accountants

Liverpool

3 November 2009

BWA GROUP PLC**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 APRIL 2009**

	Notes	2009 £	2008 £
TURNOVER		-	-
Administrative expenses		<u>7,706</u>	<u>15,340</u>
OPERATING LOSS	3	(7,706)	(15,340)
Exceptional items	4	<u>-</u>	<u>(143,733)</u>
		(7,706)	(159,073)
Interest receivable	5	<u>342</u>	<u>1,955</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(7,364)	(157,118)
Tax on loss on ordinary activities	6	<u>-</u>	<u>-</u>
LOSS FOR THE FINANCIAL YEAR AFTER TAXATION		<u>(7,364)</u>	<u>(157,118)</u>
DEFICIT FOR THE YEAR		<u>(7,364)</u>	<u>(157,118)</u>
LOSS PER SHARE - Basic	7	<u>(0.019)p</u>	<u>(0.81)p</u>
- Diluted	7	<u>(0.019)p</u>	<u>(0.40)p</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

BWA GROUP PLC**BALANCE SHEET
AT 30 APRIL 2009**

	Notes	2009 £	2008 £
CURRENT ASSETS			
Debtors and prepayments	8	-	5,077
Cash at bank		<u>26,964</u>	<u>44,257</u>
		26,964	49,334
CREDITORS			
Amounts falling due within one year	9	<u>25,722</u>	<u>40,728</u>
NET CURRENT ASSETS		<u>1,242</u>	<u>8,606</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,242</u>	<u>8,606</u>
CAPITAL AND RESERVES			
Called up share capital	10	484,833	384,833
Other reserves	11	-	100,000
Profit and loss account	11	<u>(483,591)</u>	<u>(476,227)</u>
SHAREHOLDERS' FUNDS	12	<u>1,242</u>	<u>8,606</u>

The financial statements were approved and authorised for issue by the board of directors on 30 October 2009 and were signed on its behalf by:

.....
R Battersby - Director

The notes form part of these financial statements

BWA GROUP PLC**CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 APRIL 2009**

	Notes	2009 £	2008 £
Net cash outflow from operating activities	14	(22,635)	(152,558)
Returns on investments and servicing of finance	15	<u>342</u>	<u>1,955</u>
		(22,293)	(150,603)
Financing			
Proceeds on issue of convertible loan notes	15	<u>5,000</u>	<u>95,000</u>
Decrease in cash in the period		<u>(17,293)</u>	<u>(55,603)</u>

Reconciliation of net cash flow to movement in net funds

Decrease in cash in the period		<u>(17,293)</u>	<u>(55,603)</u>
Movement in net funds in the period	16	(17,293)	(55,603)
Net funds at 1 May 2008	16	<u>44,257</u>	<u>99,860</u>
Net funds at 30 April 2009	16	<u>26,964</u>	<u>44,257</u>

The notes form part of these financial statements

1. **ACCOUNTING POLICIES**

The principal accounting policies are summarised below.

Accounting convention

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

Basis of preparing the financial statements

The Directors are seeking a suitable company, business or investment to acquire in the small to medium sized sector with a view to seeking access to a UK quoted market and enhancing shareholder value. When appropriate, the Directors recognise that a further fundraising is necessary in order to provide additional resources for the Company to ensure it is able to effect such an acquisition.

The Directors consider that in preparing the financial statements they have taken into account all information that can reasonably be expected to be available. On this basis they consider that it is appropriate to prepare the financial statements on a going concern basis. This assumes that the Company will recover amounts due to it in relation to the abortive acquisition, as set out in Note 4, or that alternative finance will be raised to cover the Company's on-going working capital requirements.

Compound financial instruments

The Company has adopted FRS25 Financial Instruments: disclosure and presentation.

Financial assets and liabilities are recognised in the balance sheet at the lower of cost and net realisable value when the Company becomes a party to the contractual provisions of the instrument. Provision is made for diminution in value where appropriate. Income and expenditure arising on financial instruments is recognised on the accruals basis and credited or charged to the profit and loss account in the financial period to which it relates.

Convertible loan notes are regarded as compound instruments, consisting of a liability component and an equity component. At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible debt. The difference between the proceeds of issue of the convertible loan notes and the fair value assigned to the liability component, representing the embedded option to convert the liability into equity of the Company, is included in equity.

Issue costs are apportioned between the liability and equity components of the convertible loan notes based on their relative carrying amounts at the date of issue. The portion relating to the equity component is charged directly against equity. Upon conversion, the appropriate transfer is made from reserves to ordinary share capital.

The interest expense on the liability component is calculated by applying the prevailing market interest rate for similar non-convertible debt to the liability component of the instrument. The difference between this amount and the interest paid is added to the carrying amount of the convertible loan note.

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date. Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the balance sheet date. The deferred tax balance is not discounted.

2. **STAFF COSTS**

There were no staff costs, social security or other pension costs for the year ended 30 April 2009 nor for the year ended 30 April 2008.

There were no employees during the year other than the three directors (2008: three directors).

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2009**
3. OPERATING LOSS

The operating loss is stated after charging:

	2009 £	2008 £
Auditors' remuneration	<u>4,025</u>	<u>5,175</u>
Directors' emoluments	<u>-</u>	<u>-</u>

4. EXCEPTIONAL ITEMS

	2009 £	2008 £
Costs of abortive takeover	-	43,733
Provision for bad debt	<u>-</u>	<u>100,000</u>
	<u>-</u>	<u>143,733</u>

5. INTEREST RECEIVABLE

	2009 £	2008 £
Bank interest receivable	<u>342</u>	<u>1,955</u>

6. TAXATION

Based on the results for the period no liability to UK corporation tax arose on ordinary activities for the year ended 30 April 2009 or for the year ended 30 April 2008.

The charge for the year can be reconciled to the profit and loss account as follows:

	2009 £	2008 £
Loss before taxation	<u>7,364</u>	<u>157,118</u>
Loss for the year multiplied by 21% (2008: 20%)	1,546	31,423
Tax effects of:		
Expenses not allowable for tax purposes	-	(28,747)
Losses to relieve in future periods	<u>(1,546)</u>	<u>(2,676)</u>
Current tax charge	<u>-</u>	<u>-</u>

If provision were to be made for the full amount of potential deferred tax assets it would create a deferred tax asset of £711,636 based on tax losses available for carry forward of £3,388,747. This would be recoverable should sufficient, allowable taxable profits arise in the future.

7. LOSS PER SHARE

Basic and diluted earnings per share figures are based on the following profits and numbers of shares:

	2009 £	2008 £
<i>Basic</i>		
Loss before tax	<u>7,364</u>	<u>157,118</u>
	Number	Number
Weighted average number of shares	<u>39,241,627</u>	<u>19,241,627</u>
<i>Diluted</i>		
Loss before tax	<u>7,364</u>	<u>157,118</u>
	Number	Number
Weighted average number of shares	<u>39,241,627</u>	<u>39,241,627</u>

8. DEBTORS

	2009 £	2008 £
Other debtors	-	5,000
Prepayments	<u>-</u>	<u>77</u>
	<u>-</u>	<u>5,077</u>

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2009 £	2008 £
Trade creditors	6,503	12,179
Other creditors	15,000	15,000
Accruals	<u>4,219</u>	<u>13,549</u>
	<u>25,722</u>	<u>40,728</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2009**

10. CALLED UP SHARE CAPITAL

Authorised:				
Number:	Class:	Nominal value:	2009 £	2008 £
1,942,275,119	Ordinary	0.5p	9,702,375	9,702,375
19,241,627	Deferred	1.5p	297,625	297,625
154,300,000	CPS	2p	<u>3,086,000</u>	<u>3,086,000</u>
			<u>13,086,000</u>	<u>13,086,000</u>
Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	2009 £	2008 £
39,241,627 (2008: 19,241,627)	Ordinary	0.5p	187,208	87,208
19,241,627	Deferred	1.5p	<u>297,625</u>	<u>297,625</u>
			<u>484,833</u>	<u>384,833</u>

On 29 April 2008 the Board voted to exercise its right to effect mandatory conversion of the convertible loan notes 2008 and, accordingly, 20 million new ordinary shares of 0.5p each were subsequently issued to the holders.

The Convertible Participating Preference shares ('CPS') rank pari passu with the ordinary shares in regard to payment of dividends or any other right or participation in the profits in the Company and with regard to a return of capital on liquidation or otherwise. The CPS will not carry any voting rights at a general meeting save in respect of any resolutions that vary the CPS rights.

The deferred shares carry no right to receive any dividend or distribution. The holders of the deferred shares have no rights to receive notice, attend, speak or vote at any general meeting of the Company. On a return of capital on liquidation or otherwise, the holders of the deferred shares are entitled to receive the nominal amount paid up on the deferred shares after the repayment of £10,000,000 per ordinary share.

11. RESERVES

	Other reserves £	Profit and loss account £
At 1 May 2008	100,000	(476,227)
Conversion of loan notes to equity shares (note 10)	(100,000)	-
Deficit for the year	<u>-</u>	<u>(7,364)</u>
At 30 April 2009	<u>100,000</u>	<u>(483,591)</u>

BWA GROUP PLC**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2009****12. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	2009 £	2008 £
Loss for the financial year	(7,364)	(157,118)
Equity component on issue of convertible loan notes	<u>-</u>	<u>100,000</u>
Net (reduction)/addition to shareholders' funds	(7,364)	(57,118)
Opening shareholders' funds	<u>8,606</u>	<u>65,724</u>
Closing shareholders' funds	<u>1,242</u>	<u>8,606</u>
Equity interests	<u>1,242</u>	<u>8,606</u>

13. FINANCIAL INSTRUMENTS

The Company uses financial instruments comprising only cash balances that arise from its operations. The main purpose of these financial instruments is to raise finance for the Company's operations and new acquisitions.

Short-term debtors and creditors

Short-term debtors and creditors have been excluded from all the following disclosures, other than currency risks.

Currency risk

The Company operates within the UK and all transactions are denominated in sterling. As such the Company is not exposed to transaction foreign exchange risk.

Fair values

The fair values of the Company's instruments are considered equal to the book value.

Liquidity risk

Liquidity risk is the risk that the Company will have insufficient funds to meet its liabilities as they fall due. The directors monitor cash flow on a daily basis and at monthly board meetings in the context of their expectations for the business to ensure sufficient liquidity is available to meet foreseeable needs.

Interest rate risk

The directors do not consider that the business is exposed to material interest rate risk. The Company finances its operations through cash reserves. The cash reserves held by the Company during the year have negated the need to use any interest bearing short-term borrowings.

Substantially all cash resources are invested in fixed rate interest bearing deposits. The directors seek to get the best rates possible while maintaining flexibility and accessibility.

14. RECONCILIATION OF OPERATING LOSS TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	2009 £	2008 £
Operating loss	(7,706)	(15,340)
Net cash outflow from exceptional items	-	(143,733)
(Increase) in debtors	77	(77)
Increase in creditors	<u>(15,006)</u>	<u>6,592</u>
Net cash outflow from operating activities	<u>(22,635)</u>	<u>(152,558)</u>

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

	2009 £	2008 £
Returns on investments and servicing of finance		
Interest received	342	1,955
Interest paid	<u>-</u>	<u>-</u>
Net cash inflow for returns on investments and servicing of finance	<u>342</u>	<u>1,955</u>
Financing		
Convertible loan notes issued	-	100,000
Unpaid amounts	<u>5,000</u>	<u>(5,000)</u>
Net cash inflow from financing	<u>5,000</u>	<u>95,000</u>

16. ANALYSIS OF CHANGES IN NET FUNDS

	At 1 May 2008 £	Cash flow £	At 30 April 2009 £
Net cash:			
Cash at bank	<u>44,257</u>	<u>(17,293)</u>	<u>26,964</u>