WdB Capital Limited (formerly Wickam Capital Limited)

Report and Financial Statements
For the thirteen months ended 31 December 2007

4061756
Registered Number: ~~2485266~~

DIRECTORS' REPORT
For the thirteen months ended 31 December 2007

The directors present their report together with the audited financial statements for the period 1 December 2006 to 31 December 2007 This is an extended accounting period of thirteen months, with comparative figures shown in these financial statements for the period 1 December 2005 to 30 November 2006

Change of name

Wickam Capital Limited (the "Company") changed its name to WdB Capital Limited on 14 August 2007

Basis of preparation

The financial statements of the Company have been prepared for the first time in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU")

These financial statements have been prepared in accordance with IFRS and IFRIC interpretations and with those parts of the Companies Act 1985 applicable to companies reporting under IFRS The Group's accounting policies are presented in Note 1 to the financial statements on pages 5 to 7

The Company has applied IFRS for the thirteen months ended 31 December 2007, with one year of comparative figures under IFRS as endorsed by the EU Accordingly, the Company's date of transition to IFRS is 1 December 2005

Principal activities and business review

The Company is authorised and regulated by the Financial Services Authority (FSA)

The Company's principal activity during the year was that of investment fund management

During the year the Wickam Fund, a fund managed by the Company, was closed down and liquidated

A new fund, the WDB Capital UK Equity Fund (the "Fund"), was launched on 24 September 2007 The investment objective of the Fund is to provide investors with absolute returns The Fund will aim to meet this objective by investing primarily in the equity and equity related securities of UK companies that are identified by the Investment Manager as mispriced and has flexibility to invest in a range of instruments

The performance of the Fund in the period since the launch on 24 September 2007 to 31 December 2007 was an increase of 4 32 % net of all expenses A large part of this was due to the out performance of the fund against the UK stock market during the period

It is the intention of the directors to continue to develop the business In this regard, they intend to seek additional funds under management An encouraging performance since launch date in what was a difficult period for equity investors globally should help in attracting new funds under management It is the expectation of the Directors that the investment performance of the funds already under management will improve further in 2008 In part this should reflect the positive development and strong growth of the underlying companies in which the funds are invested This should drive increased advisory fee revenue and performance fee revenue

The total funds under management grew to £10 6 million at 31 December 2007 The Fund was seeded at launch with £10 million invested by the Company's parent, Evolution Group PLC The Company's board considers the growth in funds under management will be a key performance indicator for the Company

Results and dividends

During the period the Company made a profit after taxation of £77,000 (2006 loss £1,000) The directors do not recommend the payment of a dividend (2006 £nil)

DIRECTORS' REPORT (continued)
For the period ended 31 December 2007

Directors

The directors of the Company, who held office since 1 December 2006, unless otherwise stated, are as shown below

	Date of appointment	Date of resignation
Lady Katherine Innes Ker	-	19//07/2007
Lord Robin Innes Ker	-	19/07/2007
Graeme Dell	-	25/10/2007
Fraser Slater	19/07/2007	-
Alex Snow	19/07/2007	-

Charitable Donations

The Company made charitable donations of £nil (2006 £nil) during the period

Company Secretary

	Date of appointment	Date of resignation
Yew Meng Fong	-	19/07/2007
T Lee	19/07/2007	-

Risk management policies – Financial Risk Management

Disclosures on the principal risks and uncertainties impacting the Company and on the Company's risk management policies and objectives have been given in note 2 to the financial statements

Statement of Directors' Responsibilities

The following statement, which should be read in conjunction with the Independent Auditor's Report set out on page 4, is made with a view to distinguishing for shareholders the respective responsibilities of the directors and of the independent auditors in relation to the financial statements

The directors are required by the Companies Act 1985 to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the Company as at the end of the financial period and of the profit or loss for the financial period

The directors consider that in preparing the financial statements on pages 5 to 20 that

- the Company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates,
- all the accounting standards which they consider to be applicable have been followed, and
- the financial statements have been prepared on a going concern basis

The directors have responsibility for ensuring that the Company keeps accounting records which disclose with reasonable accuracy the financial position of the Company and which enable them to ensure the financial statements comply with the Companies Act 1985

The directors have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities

The directors confirm that they have complied with the above requirements in preparing the financial statements So far as each director is aware, there is no relevant audit information of which the Company's auditors are unaware Each director has taken all steps that ought to have been taken by a director in order to make himself or herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information

Auditors

PricewaterhouseCoopers LLP have indicated their willingness to continue in office, and pursuant to section 384 (1) of the Companies Act 1985, a notice will be given of a resolution proposing to re-appoint PricewaterhouseCoopers LLP as the Company's auditors at the Annual General Meeting

BY ORDER OF THE BOARD

Alex Snow
Chairman
20 March 2008

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WDB CAPITAL LIMITED

We have audited the financial statements of WdB Capital Limited for the thirteen months ended 31 December 2007 which comprise the Income Statement, the Balance Sheet, the Cash Flow Statement and the related notes These financial statements have been prepared under the accounting policies set out on pages 8 to 10

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and International Financial Reporting Standards ("IFRSs") as adopted by the European Union are set out in the Statement of Directors' Responsibilities on pages 1 to 3

Our responsibility is to audit the Company's financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland) This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing

We report to you our opinion as to whether the Company's financial statements give a true and fair view and whether the Company's financial statements have been properly prepared in accordance with the Companies Act 1985 We also report to you whether in our opinion the information given in the Directors' Report 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 the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it 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 IFRSs as adopted by the European Union, of the state of the Company's affairs as at 31 December 2007 and of its profit and cash flows for the thirteen months then ended,
- the financial statements 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

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
London, United Kingdom
20 March 2008

INCOME STATEMENT
For the thirteen months ended 31 December 2007

	Note	13 Month Period ended 2007 £'000	12 Month Period ended 2006 £'000
Fee income		318	118
Total income		**318**	118
Operating expenses	3	**(251)**	(128)
Operating profit / (loss)		**67**	(10)
Interest receivable and similar income	6	**10**	9
Profit / (loss) before tax		77	(1)
Tax credit / (expense)	7	-	-
Profit / (loss) for the period		77	(1)

There are no income / expenses other than those in the income statement

The notes on pages 8 to 20 form an integral part of these financial statements

WdB Capital Limited (formerly Wickam Capital Limited)

BALANCE SHEET

	Note	At 31 December 2007 £'000	At 30 November 2006 £'000
ASSETS			
Non-current assets			
Property, plant and equipment	8	-	-
Total non-current assets		-	-
Current assets			
Trade and other receivables	9	**280**	11
Cash and cash equivalents	10	**290**	254
Total current assets		**570**	265
Total assets		**570**	265
LIABILITIES			
Current liabilities			
Trade and other payables	11	**278**	50
Total current liabilities		**278**	50
Total liabilities		**278**	50
EQUITY			
Capital and reserves attributable to equity shareholders			
Share capital	13	**102**	102
Share premium	12	**458**	458
Retained earnings	12	**(268)**	(345)
Total equity		**292**	215
Total equity and liabilities		**570**	265

The notes on pages 5 to 20 form an integral part of these financial statements

The Board of Directors approved the financial statements on pages 5 to 20 on 20 March 2008

Alex Snow
20 March 2008

WdB Capital Limited (formerly Wickam Capital Limited)

CASH FLOW STATEMENT

	Note	£'000	13 Months ended 2007 £'000	£'000	12 Months ended 2006 £'000
Cash flow from operating activities					
Cash generated from / (absorbed by) operations	14	**26**		(8)	
Interest received		**10**		9	
Net cash generated from operating activities			**36**		1
Cash flows from finance activities					
Purchase of own equity shares			-		(86)
Net increase /(decrease) in cash and bank overdrafts			**36**		(85)
Cash and bank overdrafts at beginning of period			**254**		339
Cash and bank overdrafts at end of period	10		**290**		254

The notes on pages 5 to 20 form an integral part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
For the thirteen months ended 31 December 2007

1 ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below These policies have been consistently applied to the periods presented

Basis of preparation

The financial statements of the Company have been prepared for the first time in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU") The financial statements have been prepared under the historical cost convention

The Company has applied IFRS for the thirteen months ended 31 December 2007, with one year of comparative figures under IFRS as endorsed by the EU Accordingly, the Company's date of transition to IFRS is 1 December 2005

These financial statements have been prepared in accordance with IFRS and IFRIC interpretations and with those parts of the Companies Act 1985 applicable to companies reporting under IFRS Refer to note 18 for a reconciliation of equity, net assets and profit under UK GAAP to IFRS

Critical accounting estimates and judgements

The preparation of financial statements in conformity with IFRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed below

Income taxes

The Company is subject to income taxes Judgement is required in determining estimates in relation to the provision for income taxes There are transactions for which the ultimate tax determination is uncertain during the ordinary course of business Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made

In principle deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised

Significant Accounting Policies

Income recognition

Performance fees

Performance fees are calculated as a percentage of the net appreciation of the relevant fund's net asset value at the end of a given contractual period (referred to as the performance period) In accordance with IAS 18, performance fees are only recognised once they can be measured reliably The Company can only reliably measure performance fees at the end of the performance period as the net asset value of the funds could move significantly, as a result of market movements, between the Company's balance sheet date and the end of the performance period

Management fees

Management fees, which include all non-performance related fees, are recognised in the period in which the services are rendered

Foreign currency translation

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement

NOTES TO THE FINANCIAL STATEMENTS
For the thirteen months ended 31 December 2007

1. ACCOUNTING POLICIES (continued)

Property, plant and equipment

All property, plant and equipment ("PPE") is shown at cost less subsequent depreciation and impairment Cost includes expenditure that is directly attributable to the acquisition of the item

Depreciation on PPE is calculated using the straight-line method to allocate the cost of each asset to its residual value over its estimated useful life, as follows

Fixtures, fittings, and other equipment over 5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date An asset's carrying amount is written down immediately to its estimated recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount

Gains and losses on disposals are determined by comparing proceeds with the carrying amounts These are included in the income statement

Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original interest rate The amount of the provision is recognised in the income statement

Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents include cash in hand, deposits held at call with banks, and other short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value Such investments are normally those with original maturities of three months or less Bank overdrafts are shown within borrowings in current liabilities on the balance sheet

Interest income and expense

Interest income and expense for all interest-bearing financial instruments are recognised within 'interest income' and 'interest expense' in the income statement using the effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability When calculating the effective interest rate, the Group estimates cash flows considering all contractual terms of the financial instrument (for example, prepayment options) but does not consider future credit losses The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts

Once a financial asset or a group of similar financial assets has been written down as a result of an impairment loss, interest income is recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss

Taxes

Taxes are computed using the liability method Under this method, deferred tax assets and liabilities are determined based on temporary differences between the financial reporting and tax bases of assets and liabilities and are measured using enacted rates and laws that will be in effect when the differences are expected to reverse The deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction, other than a business combination, that at the time of the transaction affects neither accounting nor taxable profit nor loss Valuation allowances are established against deferred tax assets where it is more likely than not that some portion or not all of the asset will be realised

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2007

In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised Such assets and liabilities are not recognised if the temporary difference arises from goodwill, negative goodwill or from the acquisition of an asset, which does not affect either taxable or accounting income

Deferred tax is charged or credited in the income statement, except when it relates to items credited or charged directly to equity, in which case the deferred tax is also dealt with in equity

Employee benefits

Pension obligations
The Company does not offer any company pension schemes However, the Company does make defined contributions to employees' approved personal pension plans, and the costs of these are charged to the income statement when they are incurred

Changes to accounting policies

i) Standards, amendment and interpretations effective in 2007

IFRS 7, 'Financial instruments Disclosures', and the complementary amendment to IAS 1, 'Presentation of financial statements – Capital disclosures', introduces new disclosures relating to financial instruments and does not have any impact on the classification and valuation of the financial instruments, or the disclosures relating to taxation and trade and other payables

IFRIC 8, 'Scope of IFRS 2', requires consideration of transactions involving the issuance of equity instruments, where the identifiable consideration received is less than the fair value of the equity instruments issued in order to establish whether or not they fall within the scope of IFRS 2 This standard does not have any impact on the company's financial statements

ii) Standards, amendments and interpretations effective in 2007 but not relevant

The following standards, amendments and interpretations to published standards are mandatory for accounting periods beginning on or after 1 January 2007 but they are not relevant to the company's operations

- IFRS 4, 'Insurance contracts',
- IFRIC 7, 'Applying the restatement approach under IAS 29, Financial reporting in hyper-inflationary economies', and
- IFRIC 9, 'Re-assessment of embedded derivatives'
- IFRIC 11, 'IFRS 2 – Group and treasury share transactions'

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2007

2 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Through its normal operations, the Company is exposed to a number of risks, the most significant of which are credit and liquidity risks

Risk Management Framework

The Company Board is responsible for approving all risk management policies and for determining the overall risk appetite for the Company The Company Board receives a quarterly risk report detailing, operational risk incidents and losses and key risk indicators

Controls Review Committee ("CRC")

In December 2006, the Parent company Board approved the establishment of the CRC comprising the heads of the support departments Meetings of the CRC are minuted by the Company Secretary

The Chairman of the CRC reports on its business to the Audit Committee, of the Parent company, and copies of the papers and minutes are available to the Audit Committee members who have the right to attend all meetings The Chairman of the Audit Committee meets regularly with the CRC to discuss any control or performance issues that have been revealed because of its work

The Evolution Group Audit Committee is responsible for reviewing the Company's internal control and risk management systems through the CRC The CRC carries out a series of scheduled control reviews at which existing control structures are discussed and challenged, any control issues noted, and action plans put in place These reviews are supplemented by additional third party reviews as required It is expected that all areas of the Company will be reviewed at least annually Any control points raised during a CRC review are included within the Key Risk Matrix maintained by the Risk Department All outstanding action points have a target date and the Risk Department are responsible for tracking the progress of the outstanding points and reporting this back to CRC meetings

Risk Committee

The Company's directors have delegated to a sub-committee, the Risk Committee of the Parent company, the responsibility for setting the risk management policies applied by the Company

The purpose of the Risk Committee is to monitor and assess all types of risk within the Company and to ensure that internal controls are properly established so that the Company's risk exposure is commensurate with the wishes of the Board In addition, the Risk Committee tracks external market events and tries to evaluate their impact on the Company The Risk Committee meets at least monthly and is chaired by the Head of Risk

Risk Department

The Risk Department has day-to-day responsibility for monitoring, mitigating and reporting risks within the Company and for escalating issues to senior management The Risk Department follows the guidelines laid down by the Credit Policy, and the Operational Risk Policy as approved by the Company Board, the Audit Committee and the Risk Committee, of the Parent company

Risk Reporting

The Company Board receives a quarterly risk report detailing market and credit risk exposures, operational risk incidents and losses and key risk indicators

(a) Management of Market Risk

The company has no exposure to market risk

(b) Management of Credit Risk

Credit risk arises from cash equivalents and other outstanding receivables and committed transactions

The Risk Department is responsible for controlling, monitoring, reporting and, where required, mitigating credit risk

2 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Credit Risk Control

The Company takes on exposure to credit risk, which is the risk that a counterparty will cause a financial loss for the Company by failing to discharge an obligation

(i) Ageing according to the contractual due date

Period ended 31 December 2007	Neither past due nor impaired %	Past due but not impaired 0-3 months %	3-6 mths %	6-12 mths %	> 1 year %	Impaired £000	Carrying value £000
Trade receivables	100	-	-	-	-	-	18
Other receivables	100	-	-	-	-	-	4
Prepayments and accrued income	8	47	45	-	-	-	239
Cash and cash equivalents	100	-	-	-	-	-	290
	60	20	20	-	-	-	551

Year ended 30 November 2006	Neither past due nor impaired %	Past due but not impaired 0-3 mths %	3-6 mths %	6-12 mths %	> 1 year %	Impaired	Carrying value £000
Trade receivables	-	100	-	-	-	-	8
Prepayments and accrued income	100	-	-	-	-	-	3
Cash and cash equivalents	100	-	-	-	-	-	254
	97	3	-	-	-	-	265

ii) Concentrations of credit risk

The Company does not expect losses from the non performance of any counterparties

(c) Management of Liquidity Risk

The Company seeks to manage liquidity risk, to ensure sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably The Company actively maintains a mixture of cash and short-term deposits that are designed to ensure the Company has sufficient available funds for operational activities The Company deems there is sufficient liquidity for the near future

NOTES TO THE FINANCIAL STATEMENTS
For the thirteen months ended 31 December 2007

2 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

The tables below analyse the Company's future cash outflows based on the remaining period to the expected maturity date The amounts disclosed are the contractual undiscounted cash flows

As at 31 December 2007	Less than 1 year £'000	1 - 5 years £'000	Total £'000
Trade and other payables	97	-	97
	97	-	97

As at 30 November 2006	Less than 1 year £'000	1 - 5 years £'000	Total £'000
Trade and other payables	40	-	40
Accruals	10	-	10
	50	-	50

(d) Capital risk management

The Group has an Internal Capital Adequacy Assessment Process (commonly known as the ICAAP), which it uses to manage the capital of the Group This assessment includes the company and takes into account the risk profile of the business Under this process the Group is satisfied that there is either sufficient capital to absorb potential losses or that there are mitigating controls in place to prevent the risks occurring

The Risk Department includes commentary on required and available capital in the quarterly risk report to the Company The commentary highlights any changes to Pillar 1 or 2 numbers and also any expected impact from the anticipated business initiatives The quarterly Risk Committee pack includes similar details

Where significant business initiatives are planned, the effects on the risk profile of the Company and therefore its capital requirement are considered as part of the business plan

As at December 31 2007, the Company's capital requirements under the Pillar 1 Transitional Rules of the Capital Requirements Directive were as follows

	£000's
CRR	27
Total Capital Requirement	**27**
Total Capital available	**215**

The Company uses the standard models for credit risk and the basic indicator approach for operational risk to calculate its Pillar 1 requirements

Capital adequacy and the use of regulatory capital are monitored daily by the Company's management, employing techniques based on the guidelines developed by the Basel Committee and the European Community Directives, as implemented by the Financial Services Authority, for supervisory purposes

NOTES TO THE FINANCIAL STATEMENTS
For the thirteen months ended 31 December 2007

3 OPERATING EXPENSES

The following items have been included in arriving at operating profit

	13 Months ended 2007 £'000	12 Months ended 2006 £'000
Operating expenses		
Employee benefits expense (note 5)	**180**	92
Depreciation owned assets	-	2
Auditors' Remuneration (note 4)	**9**	6
Other operating expenses	**62**	29
Operating expenses – total	**251**	128

4 AUDITORS' REMUNERATION

During the period the company obtained the following services from the Company's auditors' at costs as detailed below

	13 Months ended 2007 £'000	12 Months ended 2006 £'000
Audit services		
Fees payable to the company's auditor for the audit of the company's annual accounts	**8**	6
Fees payable to the Company's auditor and its associates for other services:		
All other services	**1**	-
	9	6

Fees for audit services above include all amounts payable to the company's auditors in their capacity as such

5 EMPLOYEES AND DIRECTORS

	13 Months ended 2007 £'000	12 Months ended 2006 £'000
Employee benefits expense		
Wages and salaries	**169**	82
Social security costs	**11**	10
	180	92

The actual number of full time employees was 1 at 31 December 2007 (30 November 2006 1)

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the thirteen months ended 31 December 2007

Directors

The emoluments of the highest paid director were £131,333 (2006 £86,045)

	13 Months ended 2007 £'000	12 Months ended 2006 £'000
Aggregate emoluments	**199**	82
	199	82

In 2007 £19,000 of wages and salary costs were capitalised against the Fund

6 INTEREST RECEIVABLE AND SIMILAR INCOME

	13 Months ended 2007 £'000	12 Months ended 2006 £'000
Interest receivable and similar income	**10**	9

7. TAX EXPENSE

	13 Months ended 2007 £'000	12 Months ended 2006 £'000
Current tax:		
Corporation tax	-	-
Tax on profit	-	-

The tax assessed for the period is lower (2006 higher) than the standard rate of corporation tax in the UK (30%)

Factors affecting the tax charge for the period are explained below

	13 Months ended 2007 £'000	12 Months ended 2006 £'000
Profit / (loss) before tax	77	(2)
Profit / (loss) multiplied by the standard rate of corporation tax in the UK of 30% (2006 30%)	**23**	1
Effects of		
Losses utilised in the period	**(23)**	-
Group relief surrendered (not paid)	-	(1)
Total tax charge	-	-

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the thirteen months ended 31 December 2007

8. PROPERTY, PLANT AND EQUIPMENT

	Fixtures and fittings 2007 £'000	Total 2007 £'000
Cost		
At 1 December	24	24
At 31 December	24	24
Depreciation		
At 1 December	24	24
Charge for the period	-	-
At 31 December	24	24
Net book value		
At 31 December	-	-

	Fixtures and fittings 2006 £'000	Total 2006 £'000
Cost		
At 1 December	24	24
At 30 November	24	24
Depreciation		
At 1 December	22	22
Charge for the year	2	2
At 30 November	24	24
Net book value		
At 30 November	-	-

9 TRADE AND OTHER RECEIVABLES

	2007 £'000	2006 £'000
Current		
Trade receivables	**18**	8
Prepayments and accrued income	**239**	3
Amounts owed by group undertakings	**19**	-
Other receivables	**4**	-
	280	**11**

Amounts owed by group undertakings are unsecured, interest free and have no fixed date of repayment

10. CASH AND CASH EQUIVALENTS

	2007 £'000	2006 £'000
Cash and cash equivalents		
Cash at bank and in hand	**290**	254

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the thirteen months ended 31 December 2007

11. TRADE AND OTHER PAYABLES

	2007 £'000	2006 £'000
Counterparty creditors	**97**	40
Accruals and deferred income	**-**	10
Amounts owed to group undertakings	**181**	-
	278	50

Amounts owed to group undertakings are unsecured, interest free and have no fixed date of repayment

12. STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY

	Share capital £'000	Share premium £'000	Retained earnings £'000	Total equity £'000
Balance at 1 December 2006	**102**	**458**	**(345)**	**215**
Profit for the period	-	-	77	77
Balance at 31 December 2007	**102**	**458**	**(268)**	**292**

13 SHARE CAPITAL

	2007 £'000	2006 £'000
Authorised:		
200,000 (2006 200,000) Ordinary Shares of £1 each	**200**	200
Allotted, issued and fully paid·		
102,432 (2006 102,432) Ordinary Shares of £1 each	**102**	102

14 CASH FLOW FROM OPERATING ACTIVITIES

Reconciliation of operating profit to net cash inflow from operating activities

	13 Months ended 2007 £'000	12 Months ended 2006 £'000
Cash generated from operations		
Operating profit / (loss)	**67**	(10)
Adjustments for		
Depreciation of property, plant and equipment	**-**	2
Changes in working capital		
(Increase) in trade and other receivables	**(269)**	(1)
Decrease in trade and other payables	**228**	1
Cash generated from / (absorbed by) operations	**26**	(8)

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the thirteen months ended 31 December 2007

15 POST BALANCE SHEET EVENTS

There were no material post balance sheet events

16. RELATED PARTY TRANSACTIONS

The company is a wholly owned subsidiary of The Evolution Group Plc, the consolidated financial statements of which are publicly available

The following transactions were carried out with related parties

i) Intra-group trading

The following table shows the balances owed to or by other Group undertakings at year end

	2007 £'000s	2006 £'000s
Evolution Group Plc	**19**	-
Evolution Group Services	**(181)**	-
	(162)	-

The Company, by virtue of it being a subsidiary of The Evolution Group plc, transacts routinely with the Group service company, Evolution Group Services Limited ("EVGS") As a result all accounts payable, payroll, operating lease charges, and other similar operating expenses are settled by EVGS with subsequent intercompany recharging as a matter of course

In addition to the above the Company receives fee income from the WDB Capital UK Equity Fund The total management and performance fees received for the period were £58,000 and £114,000 respectively

ii) Key management compensation

The compensation paid to key management is detailed below Key management are defined as the directors of the Company

	2007 £'000	2006 £'000
Remuneration in respect of directors:		
Salaries and short term employee benefit	**169**	82
Social security costs	**11**	10
	180	92

17 ULTIMATE HOLDING COMPANY

The ultimate holding company and controlling party is The Evolution Group Plc, a company incorporated in Great Britain and registered in England and Wales The Evolution Group Plc and Evolution Securities Limited statutory accounts are available from The Secretary, 9th Floor, 100 Wood St, London, EC2V 7AN

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the thirteen months ended 31 December 2007

18 RECONCILIATIONS OF EQUITY, NET ASSETS AND PROFIT UNDER UK GAAP TO IFRS

The Company reported under UK GAAP in its previously published financial statements for the year ended 31 November 2006 The analyses below show reconciliations of equity, net assets and profit as reported under UK GAAP as at 1 December 2005 and for the period ended 30 November 2006 to the revised equity, net assets and profit under IFRS as reported in these financial statements

(i) Summary of equity

	Note	1 December 2005 £'000	Note	30 November 2006 £'000
Total equity and minority interest under UK GAAP		303		303
Total equity under IFRS		**303**		**303**

There is no difference between equity reported under UKGAAP and that reported under IFRS

ii) Reconciliation of equity at 1 December 2005

	Note	UKGAAP £'000	Effect of transition to IFRS: Re-measurement £'000	Effect of transition to IFRS: Re-classification £'000	IFRS £'000
ASSETS					
Non-Current assets					
Property, plant and equipment		2	-	-	2
Total non-current assets		**2**	**-**	**-**	**2**
Trade and other receivables	**a**	-	-	11	11
Debtors	**a**	11	-	(11)	-
Cash and cash equivalents		339	-	-	339
Total current assets		**350**	**-**	**-**	**350**
Total assets		**352**	**-**	**-**	**352**
LIABILITIES					
Current liabilities					
Trade and other payables	**b**	-	-	49	49
Creditors amounts falling due within one year	**b**	49	-	(49)	-
Total current liabilities		**49**	**-**	**-**	**49**
Total liabilities		**49**	**-**	**-**	**49**
EQUITY					
Capital and reserves attributable to equity shareholders					
Share capital		137	-	-	137
Share premium		509	-	-	509
Retained earnings		(343)	-	-	(343)
Total equity		**303**	**-**	**-**	**303**
Total equity and liabilities		**352**	**-**	**-**	**352**

18. RECONCILIATIONS OF EQUITY, NET ASSETS AND PROFIT UNDER UKGAAP TO IFRS (continued)

iii) Reconciliation of equity at 30 November 2006

			Effect of transition to IFRS		
	Note	UKGAAP £'000	Re-measurement £'000	Re-classification £'000	IFRS £'000
ASSETS					
Non-Current assets					
Property, plant and equipment		-	-	-	-
Total non-current assets		-	-	-	-
Trade and other receivables	a	-	-	11	11
Debtors	a	11	-	(11)	-
Cash and cash equivalents		254	-	-	254
Total current assets		**265**	-	-	**265**
Total assets		**265**	-	-	**265**
LIABILITIES					
Current liabilities					
Trade and other payables	b	-	-	50	50
Creditors amounts falling due within one year	b	50	-	(50)	-
Total current liabilities		**50**	-	-	**50**
Total liabilities		**50**	-	-	**50**
EQUITY					
Capital and reserves attributable to equity shareholders					
Share capital		102	-	-	102
Share premium		458	-	-	458
Retained earnings		(345)	-	-	(345)
Total equity		**215**	-	-	**215**
Total equity and liabilities		**265**	-	-	**265**

Notes to Reconciliations of equity

a) Trade and other receivables

As a result of the adoption of IAS 39, 'Financial Instruments Recognition and Measurement', from 1 December 2005 onwards, amounts previously recorded as debtors as at 30 November 2005 have been re-classified within current assets as trade and other receivables As at 1 December 2005, £11,000 and at 30 November 2006, £11,000, have been re-classified in this way

b) Trade and other payables

As a result of the adoption of IAS 39, 'Financial Instruments Recognition and Measurement', from 1 December 2005 onwards, amounts previously recorded as creditors as at 30 November 2005 have been re-classified within current liabilities as trade and other payables As at 1 December 2005, £50,000 and at 30 November 2006, £49,000, have been re-classified in this way