

WdB Capital Limited

**Directors' Report and Financial Statements
For the year ended 31 December 2008**

Registered Number: 4061756

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DIRECTORS' REPORT

For the year ended 31 December 2008

The directors present their report together with the audited financial statements for the year ended 31 December 2008. The comparative figures shown are for the extended accounting period of thirteen months, from 1 December 2006 to 31 December 2007.

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 Manager to WdB Capital UK Equity 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 Company's Board consider the performance of the fund and the growth in funds under management as key performance indicators of the Company.

The performance of the Fund during the year from 1 January 2008 to 31 December 2008 was a return of +9.53% (2007: +4.32 %) net of all expenses. The Fund outperformed the average global equity long / short fund by +47% (HFRX) Equity index and the UK FTSE All-Share Index by +54% (FTAS Total Return).

The total funds under management grew to £20.6 million at 31 December 2008 (£10.6 million at 31 December 2007). The Fund was seeded at launch with £10 million invested by the Company's parent, The Evolution Group PLC.

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 during the year 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 2009. 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 management and performance fee revenue.

Results and dividends

During the year the Company made a profit after taxation of £250,000 (2007: profit £77,000). The directors do not recommend the payment of a dividend (2007: £nil).

DIRECTORS' REPORT (continued)
For the year ended 31 December 2008

Directors

The directors of the Company, who held office since 1 January 2008, unless otherwise stated, are as shown below:

	Date of appointment	Date of resignation
Fraser Slater	-	-
Alex Snow	-	-

Company Secretary

	Date of appointment	Date of resignation
Tony Lee	-	-

Principal Risks and uncertainties

As mentioned above the principal activity of the Company is as the Investment Fund Manager to WDB Capital UK Equity Fund. The Company's principal risk is that a decrease in the value of the fund managed will result in a decrease in management fees collected from the fund.

DIRECTORS' REPORT (continued)
For the year ended 31 December 2008

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
Director
24 April 2009

INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF WDB CAPITAL LIMITED

We have audited the financial statements of WdB Capital Limited for the year ended 31 December 2008 which comprise the Income Statement, the Balance Sheet, the Cash Flow Statement, the Statement of Recognised Income and Expense and the related notes on pages 8 to 20. 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 page 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 2008 and of its profit and cash flows for the year 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
Chartered Accountants and Registered Auditors
London, United Kingdom
24 April 2009

INCOME STATEMENT

For the year ended 31 December 2008

		Year ended 2008 £'000	13 Month period ended 2007 £'000
	Note		
Fee and commission income		714	318
Fee and commission expenses		(50)	-
Net fee and commission income		664	318
Other income		(28)	-
Total income		636	318
 Operating expenses	3	 (398)	 (251)
Operating profit		238	67
 Finance income		 16	 10
Finance expense		(1)	-
Profit before tax		253	77
 Tax expense	6	 (3)	 -
Profit for the year / period		250	77

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

BALANCE SHEET
As at 31 December 2008

	Note	2008 £'000	2007 £'000
ASSETS			
Non-current assets			
Deferred tax assets	8	3	-
Total non-current assets		<u>3</u>	<u>-</u>
Current assets			
Trade and other receivables	9	452	280
Cash and cash equivalents	10	353	290
Total current assets		<u>805</u>	<u>570</u>
Total assets		<u>808</u>	<u>570</u>
LIABILITIES			
Current liabilities			
Trade and other payables	11	260	278
Current tax liabilities	12	6	-
Total current liabilities		<u>266</u>	<u>278</u>
Total liabilities		<u>266</u>	<u>278</u>
EQUITY			
Capital and reserves attributable to equity shareholders			
Share capital	14	102	102
Share premium	13	458	458
Retained deficit	13	(18)	(268)
Total equity		<u>542</u>	<u>292</u>
Total equity and liabilities		<u>808</u>	<u>570</u>

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

The Board of Directors approved the financial statements on pages 5 to 20 on 24 April 2009.



Alex Snow
24 April 2009

CASH FLOW STATEMENT

For the year ended 31 December 2008

	Note	Year ended 2008 £'000	13 Months ended 2007 £'000
Cash flow from operating activities			
Cash generated from operations	15	48	26
Interest received		16	10
Interest paid		(1)	-
Net cash generated from operating activities		<u>63</u>	<u>36</u>
Net increase in cash and cash equivalents		<u>63</u>	<u>36</u>
Cash and cash equivalents at beginning of year / period		290	254
Cash and cash equivalents at end of year / period	11	<u><u>353</u></u>	<u><u>290</u></u>

CONSOLIDATED STATEMENT OF RECOGNISED INCOME AND EXPENSE

For the year ended 31 December 2008

	Year ended 2008 £'000	13 Months ended 2007 £'000
Profit for the year / period	250	9
Total recognised income for the year / period	<u><u>250</u></u>	<u><u>9</u></u>

All income and expense is recognised in the Income Statement.

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

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2008

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 in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU") and IFRIC interpretations and with those parts of the Companies Act 1985 applicable to companies reporting under IFRS.

A Summary of the Company's accounting policies is set out below.

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, 'Revenue' 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

(a) Functional and presentation currency

The financial statements of the Company are presented in pounds sterling, which is the Company's functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency of the Company 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 within other income in the Income Statement.

Translation differences on non-monetary items, such as equities held at fair value through profit or loss, are reported as part of their fair value gain or loss. Translation differences on non-monetary items measured at fair value in a foreign currency, such as equities classified as available-for-sale financial assets, are translated into the functional currency using the rate of exchange at the date the fair value was determined. Translation differences are included in the fair value reserve in equity.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2008

1. ACCOUNTING POLICIES (continued)

Finance income and expense

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

The effective interest rate method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the finance income or finance 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 Company 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.

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.

Trade and other payables

Trade and other payables are recognised initially at fair value, which is the agreed market price at the time goods or services are provided and are subsequently recorded at amortised cost using the effective interest rate. The Company accrues for all goods and services consumed but as yet unbilled at amounts representing management's best estimate of fair value.

Current and deferred income taxes

Current income taxes are computed on a basis of the tax laws enacted or substantially enacted at the Balance Sheet date.

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.

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.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2008

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.

Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company.

The following interpretations and amendments to existing standards have been published and are mandatory for the Company's accounting periods beginning on or after 1 January 2009 or later periods, but the Company has not early adopted them:

- IAS 1 (revised), 'Presentation of financial statements' is required to be adopted for the Company for the financial year ending 31 December 2009. The revised standard requires comparative information to be reclassified or restated, and a restated Balance Sheet as at the beginning comparative period in addition to the current requirement to present Balance Sheets at the end of the current period and comparative period to be shown. This is not expected to have a significant impact on the Company;
- IAS 36 (amendment), 'Impairment of assets' is required to be adopted for the Company for the financial year ending 31 December 2009. The amendment requires fair value less costs to sell is calculated on the basis of discounted cash flows. This is not expected to have a significant impact on the Company; and
- IAS 38 (amendment), 'Intangible assets' is required to be adopted for the Company for the financial year ending 31 December 2009. The amendment defines a prepayment as being recognised only if payment has been made in advance of receiving the right to goods or receipt of services. The Company is assessing the implications of this change.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2008

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 interest rate, 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.

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.

Interest rate risk

The Company has interest bearing assets in cash and cash equivalents. The Company has a policy of maintaining excess funds in cash and short-term deposits and is not exposed to medium-term or long-term interest rate risk. At the year-end, all of the Company's excess funds were invested in cash. The Company does not use any derivatives to hedge interest rate risk.

At 31 December 2008 if LIBOR market interest rates had been 100 basis points higher / lower with all other variables held constant, profit for the year would have been £3,000 (higher) / £3,000 (lower) respectively.

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.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2008

2. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Credit Risk Control

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

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.

The Company's debtors at the end of the year relate solely to management fees on the WDB UK Equity Fund Limited that have been invoiced but are yet to be paid at the end of the year.

The chart below illustrates the credit quality of the company's financial assets by third party credit ratings (if applicable):

	2008	2007
	%	%
AAA-A Rated	56	58
Un-rated	44	42
	<u>100</u>	<u>100</u>

The ratings noted above have been derived using source information from Standard & Poors and Moodys. All financial assets over an "A" rating are consolidated under the "AAA-A" category and represent assets such as cash, trade debtors and counterparties. Where an asset is un-rated, that is, there is no recognised external rating applicable to the asset, we have created sub-divisions to further distinguish the asset classes. All un-rated assets have undergone a thorough credit review and have been allocated internal ratings based on this review.

Each day the Risk Department prepares a counterparty exposure report that shows all credit risk exposures, potential future exposures and limits. Credit limit breaches are annotated and investigated. The Risk Committee reviews all credit limit breaches and authorises mitigating action when deemed necessary. The Company has £353,000 of its cash deposited with a single AA rated UK bank. All items classified as neither past due nor impaired, following the credit reviews described above, are considered to be recoverable and therefore of a credit quality that do not require impairment.

NOTES TO THE FINANCIAL STATEMENTS**For the year ended 31 December 2008****2. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)**

(i) Ageing according to the contractual due date:

Year ended 31 December 2008	Neither past due nor impaired £000	0-3 months £000	Impaired £000	Carrying value £000
Trade receivables	405	35	-	440
Other receivables	8	-	-	8
Cash and cash equivalents	353	-	-	353
	<u>766</u>	<u>35</u>	<u>-</u>	<u>801</u>

Period ended 31 December 2007	Neither past due nor impaired £000	0-3 months £000	Impaired £000	Carrying value £000
Trade receivables	18	-	-	18
Other receivables	4	-	-	4
Cash and cash equivalents	290	-	-	290
	<u>312</u>	<u>-</u>	<u>-</u>	<u>312</u>

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 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.

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

As at 31 December 2008	Less than 1 year £'000	1 - 5 years £'000	Total £'000
Trade and other payables	260	-	260
	<u>260</u>	<u>-</u>	<u>260</u>

As at 31 December 2007	Less than 1 year £'000	1 - 5 years £'000	Total £'000
Trade and other payables	278	-	278
	<u>278</u>	<u>-</u>	<u>278</u>

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2008

2. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

(d) Capital risk management

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. Compliance with FSA regulatory was maintained throughout the year. At 31 December the company had adequate capital over and above its requirement.

The Evolution Group Plc ("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 Company 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 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 31 December 2008, the Company's capital requirements under the Capital Requirements Directive were as follows:

	2008 £000	2007 £000
Total Capital Requirement	<u>68</u>	<u>27</u>

Fair Value of financial instruments

The carrying values of assets and liabilities not held at fair value (cash and cash equivalents, trade receivables, other receivables, and trade and other payables) are not significantly different from fair value.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2008

3. OPERATING EXPENSES

The following items have been included in arriving at operating profit:

	Year ended 2008 £'000	13 Months ended 2007 £'000
Operating expenses		
Employee benefits expense (note 5)	347	180
Legal costs	8	-
Auditors' Remuneration (note 4)	9	9
Other operating expenses	34	62
Operating expenses – total	398	251

4. AUDITORS' REMUNERATION

During the year the company obtained the following services from the Company's auditors as detailed below:

	Year ended 2008 £'000	13 Months ended 2007 £'000
Audit services		
Fees payable to the company's auditor for the audit of the company's annual accounts	9	8
Fees payable to the Company's auditor and its associates for other services:		
All other services	-	1
	9	9

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

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2008

5. EMPLOYEES AND DIRECTORS

	Year ended 2008 £'000	13 Months ended 2007 £'000
Employee benefits expense		
Wages and salaries	309	169
Social security costs	38	11
	<u>347</u>	<u>180</u>

The actual number of full time employees was 2 at 31 December 2008 (31 December 2007: 1).

Directors

The emoluments of the highest paid director were £282,000 (2007: £131,333).

	Year ended 2008 £'000	13 Months ended 2007 £'000
Aggregate emoluments	318	199
	<u>318</u>	<u>199</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2008

6. TAX EXPENSE

	Year ended 2008 £'000	13 Months ended 2007 £'000
Current tax:		
Corporation tax on profit	3	-
Adjustments in respect of prior years	3	-
Current year tax charge	<u>6</u>	<u>-</u>
Deferred tax:		
Current year / period movement	(3)	-
Tax expense	<u>3</u>	<u>-</u>

The tax assessed for the year is lower (2007: lower) than the average rate of corporation tax in the UK (20.75%).

Factors affecting the tax charge for the period are explained below:

	Year ended 2008 £'000	13 Months ended 2007 £'000
Profit before tax	253	77
Profit multiplied by the standard small companies rate of corporation tax in the UK of 20.75% (2007: 30%)	53	23
Effects of:		
Losses utilised in the year / period	(50)	(23)
Adjustments in respect of prior period	3	-
Current year / period tax charge	<u>6</u>	<u>-</u>
Deferred tax	(3)	-
Current year / period movement	<u>(3)</u>	<u>-</u>
Total tax charge	<u>3</u>	<u>-</u>

7. PROPERTY, PLANT AND EQUIPMENT

	Fixtures and fittings 2008 £'000	Fixtures and fittings 2009 £'000
Cost		
At 1 January / 1 December	24	24
At 31 December	<u>24</u>	<u>24</u>
Depreciation		
At 1 January / 1 December	24	22
Charge for the year / period	-	2
At 31 December	<u>24</u>	<u>24</u>
Net book value		
At 31 December	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2008

8. DEFERRED TAX ASSET

	2008 £'000	2007 £'000
At 1 January	-	-
Credit to the income statement	3	-
As at 31 December	3	-

The deferred tax asset at 31 December 2008 of £3,000 relates to capital allowances (2007: Nil).

9. TRADE AND OTHER RECEIVABLES

	2008 £'000	2007 £'000
Current		
Trade receivables	440	257
Prepayments and accrued income	4	-
Amounts owed by group undertakings	-	19
Other receivables	8	4
	452	280

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

10. CASH AND CASH EQUIVALENTS

	2008 £'000	2007 £'000
Cash and cash equivalents		
Cash at bank and in hand	353	290

11. TRADE AND OTHER PAYABLES

	2008 £'000	2007 £'000
Accruals and deferred income	252	97
Amounts owed to group undertakings	8	181
	260	278

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

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2008

12. CURRENT TAX LIABILITY

	2008 £'000	2007 £'000
At 1 January	-	-
Income statement charge	6	-
As at 31 December	<u>6</u>	<u>-</u>

13. MOVEMENTS IN SHAREHOLDER'S EQUITY

	Share capital £'000	Share premium £'000	Retained deficit £'000	Total equity £'000
Balance at 1 January 2008	102	458	(268)	292
Profit for the year	-	-	250	250
Balance at 31 December 2008	<u>102</u>	<u>458</u>	<u>(18)</u>	<u>542</u>

14. SHARE CAPITAL

	2008 £'000	2007 £'000
Authorised: 200,000 (2007: 200,000) Ordinary Shares of £1 each	<u>200</u>	<u>200</u>
Allotted, issued and fully paid: 102,432 (2007: 102,432) Ordinary Shares of £1 each	<u>102</u>	<u>102</u>

15. CASH FLOW FROM OPERATING ACTIVITIES

Reconciliation of operating profit to net cash inflow from operating activities:

	Year ended 2008 £'000	13 Months ended 2007 £'000
Cash generated from operations		
Operating profit	238	67
<i>Adjustments for changes in working capital:</i>		
(Increase) in trade and other receivables	(172)	(269)
(Decrease) / Increase in trade and other payables	(18)	228
Cash generated from operations	<u>48</u>	<u>26</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2008

16. POST BALANCE SHEET EVENTS

There were no material post balance sheet events.

17. 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.

	2008 £'000s	2007 £'000s
The Evolution Group Plc	-	19
Evolution Group Services Limited	(8)	(181)
	<u>(8)</u>	<u>(162)</u>

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 Limited. The total management and performance fees received for the year were £350,000 (2007: £58,000) and £364,000 (2007: £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.

	2008 £'000	2007 £'000
Remuneration in respect of directors:		
Salaries and short term employee benefit	282	186
Social security costs	36	13
	<u>318</u>	<u>199</u>

18. 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's statutory accounts are available from The Secretary, 9th Floor, 100 Wood St, London, EC2V 7AN.