WDB Capital Limited

Directors' Report and Financial Statements
For the year ended 31 December 2009

Registered Number: 4061756

WDB Capital Limited

DIRECTORS' REPORT
For the year ended 31 December 2009

The directors present their report together with the audited Financial Statements for the year ended 31 December 2009

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 aims 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 2009 to 31 December 2009 was a return of +3 60% (2008 +9 53 %) net of all expenses Since its inception in September 2007, the Fund has returned 18 38% and has outperformed the average global equity long / short fund by +35 1% (HFRX) Equity index and the UK FTSE All-Share Indice by +35 2% (FTAS Total Return)

The total funds under management grew to £26 9 million at 31 December 2009 (£20 6 million at 31 December 2008)

It is the intention of the directors to continue to develop the business In this regard, they intend to seek additional funds under management It is the expectation of the directors that the investment performance of the funds under management will improve further in 2010 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 £78,000 (2008 profit £250,000) The directors do not recommend the payment of a dividend (2008 £nil)

DIRECTORS' REPORT (continued)
For the year ended 31 December 2009

Directors

The directors of the Company, who held office since 1 January 2009, unless otherwise stated, are as shown below

	Date of appointment	Date of resignation
Fraser Slater	-	-
Alex Snow	-	-
Andrew Westenberger	18 May 2009	-

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 and performance fees collected from the fund A discussion of the market risk management policies have been disclosed in note 3

WDB Capital Limited

DIRECTORS' REPORT (continued)
For the year ended 31 December 2009

Statement of Directors' Responsibilities

The following statement, which should be read in conjunction with the Independent Auditors' 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 responsible for preparing the Financial Statements in accordance with applicable law and regulations

Company law requires the Directors to prepare Financial Statements for each financial year Under that law the Directors have elected to prepare the Financial Statements in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union The Financial Statements are required by law to give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period

In preparing these Financial Statements on pages 5 to 21, the Directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state that the Financial Statements comply with IFRS adopted by the European Union, and
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business, in which case there should be supporting assumptions or qualifications as necessary

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 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

Directors' disclosures to the auditors

United Kingdom company law (Section 234ZA of the Companies Act 2006) requires each Director to make an individual statement regarding the disclosure of information to the auditors The statement must confirm that as at the date of this report and as far as the Director is aware there is no relevant audit information of which the Company's auditors are unaware, and that the Director has taken all the steps he ought to have taken in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information A Director is deemed to have taken all the steps necessary that he ought to have taken if he has made such enquiries of his fellow Directors and of the Company's auditors for that purpose, and taken such other steps, if any, for that purpose as are required by his duty as a Director of the Company to exercise due care, skill and diligence All of the Directors of the Company as at the date of this report have provided such a statement to the Company The Company's auditors have been advised that confirmation has been given and should be interpreted in accordance with the provisions of Section 234ZA of the Companies Act 2006

Auditors

PwC have indicated their willingness to continue in office, and pursuant to section 485 of the Companies Act 2006, an ordinary resolution re-appointing them as auditors and authorising the Directors to determine their remuneration will be proposed at the 2009 Annual General Meeting

BY ORDER OF THE BOARD

Andrew Westenberger
Director
26 April 2010

Registered Number 4061756

WDB Capital Limited

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 2009 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, the Cash Flow Statement and the related notes The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page 3, the directors are responsible for the preparation of the Financial Statements and for being satisfied that they give a true and fair view Our responsibility is to audit the Financial Statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose We do not, in giving these opinions, 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

Scope of the audit of the Financial Statements

An audit involves obtaining evidence about the amounts and disclosures in the Financial Statements sufficient to give reasonable assurance that the Financial Statements are free from material misstatement, whether caused by fraud or error This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the Financial Statements

Opinion on Financial Statements
In our opinion the Financial Statements

- give a true and fair view of the state of the Company's affairs as at 31 December 2009 and of its profit and cash flows for the year then ended,
- have been properly prepared in accordance with IFRSs as adopted by the European Union, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006
In our opinion the information given in the Directors' Report for the financial year for which the Financial Statements are prepared is consistent with the Financial Statements

Matters on which we are required to report by exception
We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the Financial Statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

Nicholas Morrison (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London, United Kingdom
27 April 2010

STATEMENT OF COMPREHENSIVE INCOME

	Note	Year ended 2009 £'000	Year ended 2008 £'000
Fee and commission income		**719**	714
Fee and commission expenses		**(75)**	(50)
Net fee and commission income		**644**	664
Other gains/(losses)		**2**	(28)
Total income		**646**	636
Operating expenses	4	**(541)**	(398)
Operating profit		**105**	238
Finance income		**4**	16
Finance expense		**-**	(1)
Profit before tax		**109**	253
Tax expense	7	**(31)**	(3)
Profit for the year		**78**	250
Other Comprehensive Income for the year		**-**	-
Total Comprehensive Income for the year		**78**	250

The notes on pages 9 to 21 form an integral part of these Financial Statements

BALANCE SHEET

	Note	31 12 09 £'000	31 12 08 £'000
ASSETS			
Non-current assets			
Deferred tax assets	9	-	3
Total non-current assets		-	3
Current assets			
Trade and other receivables	10	**474**	452
Cash and cash equivalents	11	**505**	353
Total current assets		**979**	805
Total assets		**979**	808
LIABILITIES			
Current liabilities			
Trade and other payables	12	**325**	260
Current tax liabilities	13	**34**	6
Total current liabilities		**359**	266
Total liabilities		**359**	266
EQUITY			
Capital and reserves attributable to equity shareholders			
Share capital	14	**102**	102
Share premium		**458**	458
Retained earnings/(deficit)		**60**	(18)
Total equity		**620**	542
Total equity and liabilities		**979**	808

The notes on pages 9 to 21 form an integral part of these Financial Statements

The Financial Statement on pages 5 to 21 were approved by the Board of Directors on 26 April 2010, and were signed on behalf of the Board by

Andrew Westenberger
Director
26 April 2010

WDB Capital Limited

STATEMENT OF CHANGES IN EQUITY

	Share capital £'000	Share premium £'000	Retained earnings/(deficit) £'000	Total equity £'000
Balance at 1 January 2009	**102**	**458**	**(18)**	**542**
Profit for the year	-	-	78	78
Total comprehensive income for the year	-	-	78	78
Balance at 31 December 2009	**102**	**458**	**60**	**620**

	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
Total comprehensive loss for the year	-	-	250	250
Balance at 31 December 2008	102	458	(18)	542

The notes on pages 9 to 21 form an integral part of these Financial Statements

WDB Capital Limited

CASH FLOW STATEMENT

	Note	Year ended 2009 £'000	Year ended 2008 £'000
Cash flow from operating activities			
Cash generated from operations	15	148	48
Interest received		4	16
Interest paid		-	(1)
Net cash generated from operating activities		152	63
Net increase in cash and cash equivalents		152	63
Cash and cash equivalents at beginning of year		353	290
Cash and cash equivalents at end of year		505	353

The notes on pages 9 to 21 form an integral part of these Financial Statements

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2009

1. ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these Financial Statements are set out below

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 2006 applicable to companies reporting under IFRS The Financial Statements have been prepared under the historical cost convention

A summary of the Company's accounting policies is set out below, together with an explanation of where changes have been made to previous policies on the adoption of new accounting standards in the year

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 gains/(losses) in the statement of comprehensive income

Finance income and expense

Interest income and expense for all interest-bearing financial instruments except for those classified as held for trading or designated at fair value through profit or loss, are recognised within 'finance income' and 'finance expense' in the statement of comprehensive income using the effective interest method

1 ACCOUNTING POLICIES (continued)

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 statement of comprehensive income

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 taxes

Current 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

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 statement of comprehensive income when they are incurred

1. ACCOUNTING POLICIES (continued)

Changes in accounting policies and disclosures

a) New and amended standards adopted by the Company

The Company has adopted the following new and amended IFRS's as of 1 January 2009

- IFRS 7, Financial instruments – Disclosures' (amendment) – effective 1 January 2009 The amendment requires enhanced disclosures about fair value measurement and liquidity risk In particular the amendment requires disclosure of fair value measurements by level of a fair value measurement hierarchy, and
- IAS 1 (revised), 'Presentation of Financial Statements' – effective 1 January 2009 The revised standard prohibits the presentation of items of income and expenses in the statement of changes in equity, requiring non owner changes in equity' to be presented separately from owner changes in equity in a statement of comprehensive income The change in accounting policy only impacts presentation

b) 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 2010 or later periods, but the Company has not early adopted them

- IAS 1 (amendment), 'Presentation of financial assets' is required to be adopted for the Company for the financial year ending 31 December 2010 The amendment provides clarification that the potential settlement of a liability by the issue of equity is not relevant to its classification as current or non current By amending the definition of current liability, the amendment permits a liability to be classified as non-current (provided that the entity has an unconditional right to defer settlement by transfer of cash or other assets for at least 12 months after the accounting period) notwithstanding the fact that the Company could be required by the counterparty to settle in shares at any time This is not expected to have a material 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 2010 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

2. CRITICAL ESTIMATES AND JUDGEMENTS

The preparation of Financial Statements 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 year Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates There are no areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the Financial Statements

3 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 Chief Risk Officer

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

3 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

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 2009 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 £5,000 (higher) / £3,800 (lower) respectively

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

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

The Company's debtors at the end of the year mainly relate 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 quality of the Company's financial assets in terms of their credit rating is 'AAA-A rated 52% (2008 56%) and Un-Rated" 48% (2008 44%)

The ratings noted above have been derived using source information from Standard & Poor's and Moody s All financial assets over an 'A" rating are consolidated under the "AAA-A" category and represent assets such as cash and cash equivalents 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 and potential credit exposures The Company has its cash balance deposited with a single AA rated UK bank However, there are no significant concentrations of credit risk with "Un-Rated' counterparties

3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

(i) Financial assets subject to credit risk may be analysed by ageing, according to the contractual due date

As at 31 December 2009	Neither past due nor impaired £'000	0-3 months £'000	Impaired £'000	Carrying value £'000
Trade receivables	219	-	-	219
Other receivables	30	-	-	30
Cash and cash equivalents	505	-	-	505
Amounts owed from Group undertakings	6	-	-	6
	760	-	-	760

As at 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
	766	35	-	801

Management of Liquidity Risk

The Company seeks to manage liquidity risk, by maintaining a mixture of cash and short-term deposits to ensure sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably 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 2009	Less than 1 year £'000	1-2 years £'000	2-5 years £'000	Over 5 years £'000	Total £'000
Trade and other payables	325	-	-	-	325
	325	-	-	-	**325**

As at 31 December 2008	Less than 1 year £'000	1-2 years £'000	2-5 years £'000	Over 5 years £'000	Total £'000
Trade and other payables	260	-	-	-	260
	260	-	-	-	**260**

3 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

(d) Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital

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 capital requirements 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

On 31 December 2009, the Company had £543,000 (2008 £293,000) of regulatory capital resources, which is comfortably in excess of its regulatory capital requirement Management consider that the Company has more than sufficient capital for its size and complexity taking into account all material risks faced in carrying out the Company's activities

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

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

WDB Capital Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)

4 OPERATING EXPENSES

The following items have been included in arriving at operating profit

	Year ended 2009 £'000	Year ended 2008 £'000
Operating expenses		
Employee benefits expense (note 6)	**380**	347
Legal costs	**4**	8
Auditors' Remuneration (note 5)	**9**	9
Group recharge	**75**	-
Other operating expenses	**73**	34
Operating expenses – total	**541**	398

5 AUDITORS' REMUNERATION

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

	Year ended 2009 £'000	Year ended 2008 £'000
Audit services		
Fees payable to the Company's auditor for the audit of the company's annual accounts	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)

6 EMPLOYEES AND DIRECTORS

	Year ended 2009 £'000	Year ended 2008 £'000
Employee benefits expense		
Wages and salaries	**337**	309
Social security costs	**43**	38
	380	347

The actual number of full time employees was 2 at 31 December 2009 (31 December 2008 2)

Directors

The emoluments of the highest paid director were £277,000 (2008 £282,000)

	Year ended 2009 £'000	Year ended 2008 £ 000
Aggregate emoluments	**277**	318
	277	318

7 TAX EXPENSE

	Year ended 2009 £'000	Year ended 2008 £'000
Current tax		
Corporation tax on profit	**28**	**3**
Adjustments in respect of prior years	**-**	**3**
Current year tax charge	**28**	**6**
Deferred tax		
Current year charge/(credit)	**3**	**(3)**
Tax expense	**31**	**3**

The tax assessed for the year is the same as (2008 lower than) the average rate of corporation tax in the UK (28%)

NOTES TO THE FINANCIAL STATEMENTS (continued)

7. TAX EXPENSE (continued)

Factors affecting the tax charge for the period are explained below

	Year ended 2009 £'000	Year ended 2008 £'000
Profit before tax	**109**	**253**
Profit multiplied by the standard rate of corporation tax in the UK of 28% (2008 20 75%)	**31**	**53**
Effects of		
Losses utilised in the year / period	**(3)**	**(50)**
Adjustments in respect of prior period	**-**	**3**
Current year tax charge	**28**	**6**
Deferred tax	**3**	**(3)**
Current year movement	**3**	**(3)**
Total tax charge	**31**	**3**

In 2008 the Company was taxed under the standard small companies rate of corporation tax in the UK of 20 75%

8 PROPERTY, PLANT AND EQUIPMENT

	Fixtures and fittings 2009 £'000	Fixtures and fittings 2008 £'000
Cost		
At 1 January	**24**	24
At 31 December	**24**	24
Depreciation		
At 1 January	**24**	24
Charge for the year	-	-
At 31 December	**24**	24
Net book value		
At 31 December	-	-

9 DEFERRED TAX ASSET

	2009 £'000	2008 £'000
At 1 January	3	-
(Charge)/credit to the income statement	(3)	3
As at 31 December	-	3

NOTES TO THE FINANCIAL STATEMENTS (continued)

10 TRADE AND OTHER RECEIVABLES

	2009 £'000	2008 £'000
Current		
Trade receivables	**219**	440
Prepayments and accrued income	**219**	4
Amounts owed by group undertakings	**6**	-
Other receivables	**30**	8
	474	452

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

11. CASH AND CASH EQUIVALENTS

	2009 £'000	2008 £'000
Cash and cash equivalents		
Cash at bank and in hand	**505**	353

12 TRADE AND OTHER PAYABLES

	2009 £'000	2008 £'000
Accruals and deferred income	**236**	252
Amounts owed to group undertakings	**89**	8
	325	260

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

13 CURRENT TAX LIABILITY

	2009 £'000	2008 £'000
At 1 January	6	-
Income statement charge	28	6
As at 31 December	34	6

14. SHARE CAPITAL

	2009 £'000	2008 £'000
Authorised		
200,000 (2008 200,000) Ordinary Shares of £1 each	**200**	200
Allotted, issued and fully paid.		
102,432 (2008 102,432) Ordinary Shares of £1 each	**102**	102

NOTES TO THE FINANCIAL STATEMENTS (continued)

15 CASH FLOW FROM OPERATING ACTIVITIES

Reconciliation of operating profit to net cash inflow from operating activities

	Year ended 2009 £'000	Year ended 2008 £'000
Cash generated from operations		
Operating profit	**105**	**238**
Adjustments for changes in working capital		
(Increase) in trade and other receivables	**(22)**	**(172)**
Increase / (decrease) in trade and other payables	**65**	**(18)**
Cash generated from operations	**148**	**48**

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

	2009 £'000	2008 £'000
The Evolution Group Plc	6	-
Evolution Group Services Limited	(14)	(8)
Williams de Broe Limited	(75)	-
	(83)	(8)

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 an associate of the Group The total management and performance fees received for the year were £503,000 (2008 £350,000) and £216,000 (2008 £364,000) respectively

WDB Capital Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)

17. RELATED PARTY TRANSACTIONS (continued)

ii) Key management compensation

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

	2009 £ 000	2008 £ 000
Remuneration in respect of key management		
Salaries and short term employee benefit	**242**	282
Social security costs	**35**	36
	277	318

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