

Company Registration No. 6198898

**finnCap Ltd (formerly JMFinn Capital Markets
Limited)
Report and Financial Statements**

30 April 2010



finnCap Ltd (formerly JMFinn Capital Markets Limited)

Report and financial statements 2010

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finnCap Ltd (formerly JMFinn Capital Markets Limited)

Report and financial statements 2010

Officers and professional advisers

Directors

S J Smith
M J McNamara
C N Carver
J P Moulton
T A J Jenkins

Secretary

M D Tubby

Registered Office

4 Coleman Street
London
EC2R 5TA
United Kingdom

Auditors

BDO LLP
55 Baker Street
London W1U 7EU
United Kingdom

finnCap Ltd (formerly JMFinn Capital Markets Limited)

Directors' report

The directors present their report on the affairs of finnCap Ltd, formerly JMFinn Capital Markets Limited ("finnCap" or "the company"), together with the financial statements and auditors' report, for the year ended 30 April 2010. The company was incorporated on the 2 April 2007 as J M F Corporate Limited. It changed its name to JMFinn Capital Markets Limited on 30 April 2007 and commenced trading on 1 August 2007. Its trading name was changed to 'finnCap' on the 31 March 2008. On the 30 April 2010 it changed its name to finnCap Ltd.

Principal activities

The principal activities of the company comprise Corporate Advisory and Institutional Stockbroking.

Business review

The profit and loss account is set on page 9 of the financial statements and shows the profit for the year. The directors are satisfied with the results for the year.

Performance has been strong for the 12 months to April 2010, driven by increased profitability and significant operational development, despite market conditions remaining extremely challenging. This growth has been boosted by fundraising activity throughout the year and a team committed to providing a proactive approach to broking small cap companies.

Having concluded a buyout from its original parent, JMFinn, and having strengthened the team, finnCap has taken significant steps towards achieving its strategic goal of becoming the leading broker and adviser in the small cap space.

HIGHLIGHTS

- Continued profitability on revenues substantially ahead of last year across all areas of the business
 - Turnover up 56% to £7.8m
 - Raised £120m
 - Secondary commission up year on year despite fall in market volumes
 - Corporate clients increased to 68 and retainer income up year on year
- Conclusion of buyout from JMFinn of their 50% holding in finnCap funded by the staff and chairman Jon Moulton
- 14 strategic hires in the year ensuring a high level of service to clients
- Jon Moulton appointed non-executive chairman in January 2010
- Further development of the retail, oil & gas and support services sectors

finnCap has continued to make headway in the small cap space. finnCap is now rated no. 6 AIM broker and no. 7 NOMAD by number of clients as at June 2010 by Hemscott. finnCap was shortlisted as AIM broker and NOMAD of the year at the 2010 Growth Company Investor awards and Nominated for Best Research at the AIM awards 2009. In the recent Exel rankings, the corporate broking team was ranked No. 8 (out of 25) and sales trading team No. 7 (out of 35).

finnCap Ltd (formerly JMFinn Capital Markets Limited)

Directors' report

finnCap is set to increase its small cap research coverage in particular in the retail, support services and oil & gas sectors, where it has recently recruited analysts. It anticipates further building its already strong franchises in technology, life sciences, mining, industrials and financials.

finnCap has made a good start in 2010/11 and has a strong pipeline of new business. It is seeing the benefit of the investment made in new staff over the last 12 months, which is expected to boost the number of corporate clients going forward and continues to believe that small cap companies need a committed broker who is willing to promote their interests despite difficult market conditions.

finnCap Ltd (formerly JMFinn Capital Markets Limited)

Directors' report (continued)

Going concern

The directors believe that the company has adequate resources to continue trading for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Further details regarding the adoption of the going concern basis can be found in note 1 to the financial statements.

Risks and uncertainties

We actively guard against risk by regularly reviewing the business and by actively promoting a culture of compliance throughout the business.

We have identified the top six risks as follows:

i. Risk of market downturn

As with other firms in our sector, finnCap is generally dependent on financial market health and appetite for new and secondary issues. Liquidity and volatility issues significantly affect market activity levels and recent global economic conditions in 2009/2010 inevitably took their toll; however, revenues remained strong.

ii. Loss of key staff

finnCap is a people-oriented business and hence the loss of team members is a potential risk.

iii. Breach of Chinese walls

A breach of Chinese walls or the requirements surrounding them would be detrimental to the Company's reputation, whether through regulatory censure or adverse publicity. finnCap has built a reputation for respecting its client confidentiality and the market's requirements. We have robust procedures in place – including physical separation of departments and data segregation – to mitigate this risk and our employees fully recognise the importance of information barriers.

iv. Reputational risk

Reputational risk accompanies all market transactions. We have internal approvals processes that mitigate risk before we take on new business and as transactions proceed. In the event of risk crystallisation, we would move proactively to address market impact and maintain confidence in our offering and services.

v. IT failure

The level of risk arising from an IT failure is dependent largely on the extent of the failure. As we rely on core data services, we actively seek providers who have suitable disaster recovery procedures of their own in place in addition to building networks that are a combination of in-house and package products.

vi. Capital risk

The Company's primary objective in managing capital is to ensure that it has capital which is permanent and which is able to absorb any losses arising from an extreme event. The Company is also subject to the capital requirements of the FSA Handbook which sets capital requirements based on the risks (including credit risk and market risk) assumed by the company. The Company manages its capital by performing as required a daily computation of the capital requirements and ensuring that its capital exceeds these requirements.

The company's disclosure requirements under Pillar three are published on the company's website www.finncap.com.

Dividends

No dividend was paid during the period (2009 £nil). A dividend of £60,000 was paid in the year ending 30 April 2009, with respect to the period ended 30 April 2008.

The Directors propose no final dividend is paid.

Directors

The directors, who served during the period, were as follows:

finnCap Ltd (formerly JMFin Capital Markets Limited)

Directors' report (continued)

S J Smith
M J McNamara
S A Sussman (resigned 30 April 2010) (Non-Executive)
A E Edmonstone (resigned 17 January 2010)
L J Kent (resigned 17 January 2010)
G S T Nash (resigned 17 January 2010)
D Buxton (resigned 17 January 2010)
C N Carver
B C Patient (resigned 17 January 2010)
M Robinson (resigned 17 January 2010)
J W Edgedale (resigned 28 July 2009) (Non-Executive)
J P Moulton (appointed 18 January 2010)
T A J Jenkins (appointed 18 January 2010)

Acquisition of the Company's own shares

During the period the firm's Employee Benefit Trust purchased 3,800,000 shares at £0.06 from a departing employee and sold 3,257,550 shares at £0.05 to employees and directors and 833,333 shares at £0.06 to employees and directors (2009 purchased 2,250,000 shares at £0.05 and 1,000,000 shares at £0.02). Total consideration for these purchases was £228,000 (2009 £132,500) and sale consideration was £267,453 (2009 nil). These purchases represent 3.8% of the ordinary called up share capital (2009 3.25%).

Directors' indemnities

The company has made qualifying third party indemnity provisions for the benefit of its directors during the period and these remain in force at the date of this report.

Auditors

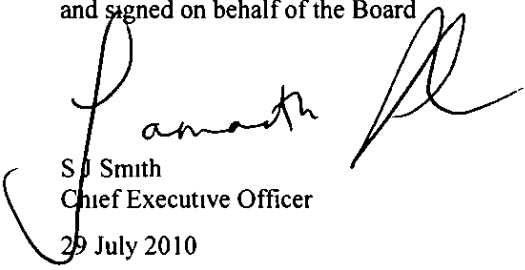
Each of the persons who is a director at the date of approval of this report confirms that

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

A resolution to reappoint BDO LLP will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board



S J Smith
Chief Executive Officer

29 July 2010

finnCap Ltd (formerly JMFin Capital Markets Limited)

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent, and
- state whether applicable UK Accounting Standards have been followed

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent auditors' report to the members of finnCap Ltd (Formerly JMFinn Capital Markets Limited)

We have audited the financial statements of finnCap Ltd for the year ended 30 April 2010 which comprise the profit and loss account, the balance sheet, the cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by 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 30 April 2010 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

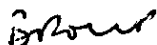
Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

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



Daniel Taylor (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
London
United Kingdom
Date 29 July 2010 .

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

finnCap Ltd (formerly JMFin Capital Markets Limited)

Profit and loss account for the Year ended 30 April 2010

		Year ended 30 April 2010 £	Year ended 30 April 2009 £
	Notes		
Fees and commissions receivable	3	7,771,579	4,829,278
Fees and commissions payable		(138,136)	(68,337)
Net fees and commission income		7,633,443	4,760,941
Other operating income		1,268	12,161
Administrative expenses		(6,980,800)	(4,725,106)
Operating profit	4	653,911	47,996
Interest receivable		5,958	57,616
Interest payable		(23,597)	(37,993)
Dividends received		13,753	-
Profit on sale of Investment		5,915	-
Profit on ordinary activities before taxation		655,940	67,619
Tax on profit on ordinary activities	7	(273,508)	(59,477)
Profit for the financial year	17	382,432	8,142

All profits derive from continuing activities

The company has no recognised gains or losses other than the results stated above, hence a statement of total recognised gains and losses is not presented

The notes on pages 13-24 form an integral part of these financial statements

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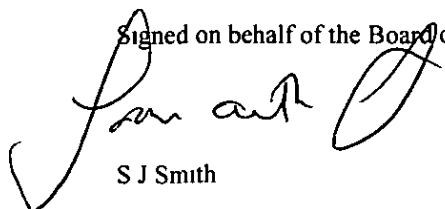
**Balance sheet as at
30 April 2010**

	Notes	2010 £	2009 £
Fixed assets			
Tangible fixed assets	9	101,151	76,780
Goodwill	10	380,625	433,125
Investments	11	39,167	204,075
		<u>520,943</u>	<u>713,980</u>
Current assets			
Trade debtors	2	5,879,003	13,272,546
Other debtors	12	181,452	158,947
Cash at bank and in hand	13	2,645,557	852,198
		<u>8,706,012</u>	<u>14,283,691</u>
Creditors - amounts falling due within one year			
Trade creditors	2	5,165,103	11,960,901
Other creditors	14	1,616,755	1,036,919
		<u>6,781,858</u>	<u>12,997,820</u>
Net current assets		<u>1,924,154</u>	<u>1,285,871</u>
Total assets less current liabilities		<u>2,445,097</u>	<u>1,999,851</u>
Creditors – amounts falling due after more than one year			
Other creditors	15	(600,000)	(600,000)
Net assets		<u>1,845,097</u>	<u>1,399,851</u>
Capital and reserves			
Called up share capital	16	1,300,000	1,300,000
Own shares	17	(103,447)	(142,900)
Profit and loss account	17	648,544	242,751
Total shareholders' funds		<u>1,845,097</u>	<u>1,399,851</u>

The notes on pages 13-24 form an integral part of these financial statements

These financial statements were approved by the Board of Directors and authorised for issue on 29 July 2010

Signed on behalf of the Board of Directors



S J Smith

Chief Executive Officer

29 July 2010

finnCap Ltd (formerly JMFin Capital Markets Limited)

Cash flow statement and related notes

Year ended 30 April 2010

	Year ended 30 April 2010 £	Year ended 30 April 2009 £
Net cash (outflow)/inflow from operating activities (Note A)	1,688,783	(808,436)
Returns on investment and servicing of finance (Note C)	6,667	33,953
Taxation paid	(66,796)	(153,760)
Capital expenditure and financial investment (Note C)	125,252	(94,326)
Equity dividends paid	-	(58,026)
Net cash (outflow)/inflow before financing	1,753,906	(1,080,595)
Financing (Note C)	39,453	(132,500)
Increase/(decrease) in cash in the period	<u>1,793,359</u>	<u>(1,213,095)</u>

Note to the cash flow statement

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

	Year ended 30 April 2010 £	Year ended 30 April 2009 £
Operating profit	653,911	47,996
Depreciation and amortisation	96,200	79,418
Decrease/(Increase) in debtors	7,372,376	(10,247,899)
Non-cash transactions	861	(188,383)
Increase/(Decrease) in creditors	(6,434,565)	9,500,432
Net cash (outflow)/inflow from operating activities	<u>1,688,783</u>	<u>(808,436)</u>

B. Reconciliation of net cash flow to movement in net funds

	Year ended 30 April 2010 £	Year ended 30 April 2009 £
Increase/(decrease) in cash in the period	1,793,359	(1,213,095)
Change in net funds (Note D)	1,793,359	(1,213,095)
Net funds brought forward	252,198	1,465,293
Net funds carried forward	<u>2,045,557</u>	<u>252,198</u>

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Cash flow statement and related notes Year ended 30 April 2010

C. Analysis of cash flows

	Year ended 30 April 2010 £	Yearended 30 April 2009 £
Returns on investment and servicing of finance		
Interest received	4,620	71,946
Dividends received	13,753	-
Interest paid	(11,706)	(37,993)
Net cash inflow	<u>6,667</u>	<u>33,953</u>
Capital expenditure and financial investment		
Payments to acquire tangible fixed assets	(68,071)	(94,326)
Payments to acquire Investments	(16,667)	-
Receipts from sale of investments	209,990	-
Net cash inflow/(outflow)	<u>125,252</u>	<u>(94,326)</u>
Financing		
Purchase of own shares	(228,000)	(132,500)
Proceeds on sale of shares from ESOP trust	267,453	-
Net cash inflow/(outflow)	<u>39,453</u>	<u>(132,500)</u>

D Analysis and reconciliation of net debt

	At 30 April 2009 £	Cash flows £	At 30 April 2010 £
Cash in hand and at bank	852,198	1,793,359	2,645,557
Overdrafts	-	(137,808)	(137,808)
Subordinated loan	(600,000)	-	(600,000)
Total	<u>252,198</u>	<u>1,655,551</u>	<u>1,907,749</u>

finnCap Ltd (formerly JMFinn Capital Markets Limited)

Notes to the accounts Year ended 30 April 2010

1. Basis of preparation

The financial statements have been prepared in accordance with United Kingdom law and applicable Accounting Standards (United Kingdom Generally Accepted Accounting Practice ("UK GAAP"))

Going Concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Business Review. The directors' report describes the financial position of the Company, the Company's objectives, policies and processes for managing its capital, its financial risk management objectives, and its exposure to credit risk and liquidity risk.

Since the year end the Company has seen an upturn in fund raising activities on behalf of its clients, with an increase in fees and commission from this. Together with an increase in the Company's retainer base, the directors believe that cash resources will increase during the current year. This has already been reflected in improvement to its cash position with the Company's bank.

The directors believe that the Company has adequate resources to continue trading for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

Convention

These financial statements have been prepared in accordance with the historical cost convention. The principal accounting policies which the directors have adopted within that convention are set out below.

2. Accounting policies

Revenue recognition

Fees and commissions

Fees and commissions receivable represent amounts receivable for goods and services provided in the normal course of business, net of trade discounts, VAT and other sales related taxes, comprising:

- i) gross commission from acting as agent in investment business, and
- ii) gross corporate finance commission received and corporate finance fees.

Commissions from agency dealing are recognised on trade date. Corporate finance transaction fees and commission are recognised once a transaction is regarded as substantially complete. Corporate finance retainer fees are recognised on an accruals basis. The directors consider that the firm has only one class of business and operates in a single geographic market, the United Kingdom.

Commissions and fees paid away to introducers of business are shown separately under fees and commissions payable.

Other operating income

Interest receivable and payable on client free money balances is netted to calculate the Company's share of interest receivable and included under the heading "other operating income".

Interest receivable and payable

Interest receivable arises from cash and cash equivalents and brokerage balances. Interest payable arises from financing activities and brokerage balances. Interest receivable and payable are recognised in the income statement using the effective interest method.

finnCap Ltd (formerly JMFinn Capital Markets Limited)

Notes to the accounts Year ended 30 April 2010

2. Accounting policies (continued)

Tangible fixed assets

Tangible fixed assets are stated at cost net of accumulated depreciation and provision for any impairment in value. All tangible fixed assets are depreciated on a straight-line basis over their useful economic lives. Depreciation is provided on fixtures, fittings and equipment at varying rates between 3 and 4 years.

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sale proceeds and the carrying amount of the asset.

Goodwill

Goodwill arising on the acquisition of subsidiary undertakings and businesses, representing any excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired, is capitalised and written off on a straight-line basis over its useful economic life, which is 10 years. Provision is made for any impairment.

Investments

Investments are shown at the lower of cost and net realisable value.

Clients' deposits

The firm holds money on behalf of clients in accordance with the requirements of the Client Assets Sourcebook of the Financial Services Authority. Such money and the corresponding liabilities to clients are not shown on the face of the balance sheet as the firm is not beneficially entitled thereto. The amount held on behalf of clients at 30 April 2010 is stated in Note 19 to the accounts.

Related party information

The directors, staff and their connected parties are able to use the firm's services in accordance with strict personal account dealing rules and on the same terms as clients, except for reduced levels of commission. The amounts involved are not significant to the results of the firm and there are no significant or unusual balances arising. Related party disclosures can be seen in Note 20 to the accounts.

Financial liabilities and equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Borrowings

Interest-bearing bank loans and overdrafts are recorded at the proceeds received, net of direct issue costs. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accrual basis in the profit or loss account using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

finnCap Ltd (formerly JMFinn Capital Markets Limited)

Notes to the accounts

Year ended 30 April 2010

2. Accounting policies (continued)

Share-based payments

The company has applied the requirements of FRS 20 Share-based Payments

The company issues equity settled share-based payments to certain employees. Equity settled share-based payments are measured at fair value (excluding the effect of non market-based vesting conditions) at the date of grant. The fair value determined at the grant date of the equity settled share-based payments is expensed on a straight-line basis over the vesting period, based on the company's estimate of the number of shares that will eventually vest and adjusted for the effect of non market-based vesting conditions.

Fair value is measured by use of a Black-Scholes model.

Shares granted to directors and employees by the ESOP trust are charged to the profit and loss account at fair value less any amounts contributed by the director or employee. The difference between the fair value and the issue cost of the shares is credited to reserves. The charge to the profit and loss account is spread, as appropriate, over the vesting period or is taken in full, for shares which vest immediately, on the grant date.

Retirement benefits

The company operates a defined contribution scheme for UK-based employees. The amount charged to the profit and loss account in respect of pension costs and other post retirement benefits is the contributions payable in the period. Differences between contributions payable in the period and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Taxation

Current tax, including UK corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax balances are not discounted.

Trade receivables

Trade receivables are measured on initial recognition at fair value. Appropriate allowances for estimated irrecoverable amounts are recognised in the profit and loss account where there is evidence that the receivables have been impaired.

finnCap Ltd (formerly JMFinn Capital Markets Limited)

Notes to the accounts Year ended 30 April 2010

2. Accounting policies (continued)

Balances with clients and counterparties

In accordance with market practice, balances relating to unsettled bought and sold transactions with clients, Stock Exchange member firms and settlement offices are included gross in trade debtors and trade creditors

3. Fees and commissions receivable

Fees and commissions receivable were all derived from the Company's principal activity, wholly undertaken in the United Kingdom

	Year ended 30 April 2010 £	Year ended 30 April 2009 £
Fees and commissions receivable		
Gross stockbroking commissions	1,514,532	1,435,836
Corporate finance commission	3,470,747	920,859
Corporate finance fees	858,989	902,194
Corporate finance retainers	1,754,531	1,468,372
Other fees and commissions	172,780	102,017
Total	7,771,579	4,829,278

4. Operating profit

	Year ended 30 April 2010 £	Year ended 30 April 2009 £
Operating profit is arrived at after charging		
Staff costs (see note 6)	4,883,413	3,191,592
Auditors' remuneration		
Audit services	24,000	24,500
Other services		
Taxation	-	11,850
Depreciation	43,700	26,918
Amortisation	52,500	52,500
Profit on disposal of investments	5,915	-
Net foreign exchange gains/(losses)	(22)	65

finnCap Ltd (formerly JMFinn Capital Markets Limited)

Notes to the accounts Year ended 30 April 2010

5. Directors' emoluments

	Year ended 30 April 2010 £	Year ended 30 April 2009 £
Directors' remuneration		
Emoluments	1,005,875	1,080,177
Company contributions to pension scheme	63,464	65,932
	<u>1,069,339</u>	<u>1,146,109</u>

The Directors did not exercise any options during the year

The emoluments, excluding pension contributions, of the highest paid director were £208,500 (2009 £179,255) and pension contributions were £18,800 (2009 £13,750). The highest paid director did not exercise any share options in the year.

Contributions were made to the J M Finn & Co Ltd defined contribution pension scheme for six directors and to SIPP accounts for four directors.

6. Staff costs

	Year ended 30 April 2010 £	Year ended 30 April 2009 £
The average number of persons (including directors) employed by the company during the period was		
Corporate Broking and Finance	15	12
Sales and Trading	13	11
Research	9	7
Administration	3	4
Total	<u>40</u>	<u>34</u>
	£	£
Their aggregate remuneration comprised		
- Wages and salaries	4,292,835	2,755,592
- Social security costs	451,608	326,327
- Pension costs	138,970	109,673
	<u>4,883,413</u>	<u>3,191,592</u>

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Notes to the accounts Year ended 30 April 2010

7. Tax on profit on ordinary activities

	Year ended 30 April 2010 £	Year ended 30 April 2009 £
The tax (charge)/credit on the profit on ordinary activities for the year/period was as follows		
<i>Current tax</i>		
United Kingdom Corporation Tax at 28% based on the profit for the year/period	(265,264)	(58,552)
Prior year adjustment	(8,244)	(925)
	<u>(273,508)</u>	<u>(59,477)</u>

Factors affecting the tax charge for the current year/period

	Year ended 30 April 2010 £	Year ended 30 April 2009 £
The tax assessment for the period differs from that resulting from applying the standard rate of corporation tax in the UK of 30% and 28%. The difference is explained below		
Profit on ordinary activities	655,940	67,619
Tax at 28% (2009 28%) thereon	183,663	18,933
Effects of		
Expenses not deductible for tax purposes	82,106	46,818
Capital allowances in excess of depreciation	(505)	1,709
Marginal Relief	-	(8,908)
Adjustment in respect of prior periods	8,244	925
	<u>273,508</u>	<u>(59,477)</u>

	Year ended 30 April 2010 £	Year ended 30 April 2009 £
Balance sheet		
Corporation tax creditor	265,264	58,552

finnCap Ltd (formerly JMFinn Capital Markets Limited)

Notes to the accounts Year ended 30 April 2010

8. Share based payments

Equity-settled share option scheme

The company has a share option scheme for employees of the company. Options are exercisable at a price equal to the average market price of the Company's shares, as valued by external consultants, on the date of grant at any time from 4 to 7 years from grant. If the options remain unexercised after a period of 7 years from the date of grant the options expire without value. Options are forfeited if the employee leaves the company before the options vest. Details of the share options outstanding during the period are as follows:

	Year ended 30 April 2010		Year ended 30 April 2009	
	Number of share options	Weighted average exercise price (in £)	Number of share options	Weighted average exercise price (in £)
Outstanding at beginning of period	21,500,000	0.011	23,500,000	0.011
Granted during the period	11,700,000	0.049	-	-
Forfeited during the period	(3,233,334)	(0.01)	(2,000,000)	(0.01)
Outstanding at the end of the period	<u>29,966,666</u>	<u>0.026</u>	<u>21,500,000</u>	<u>0.011</u>
Exercisable at the end of the period	-	-	-	-

The options outstanding at 30 April 2010 had a weighted average exercise price of £0.023 (2009: 0.011p), and a weighted average remaining contractual life of 5.1 years. The aggregate of the estimated fair values of the options granted on those dates is £330,863 (2009: £90,333). The inputs into the Black-Scholes model are as follows:

	Year ended 30 April 2010 £	Year ended 30 April 2009 £
Weighted average share price	2.3p	1p-5p
Weighted average exercise price	2.3p	1.1p
Expected volatility	25%	25%
Expected life	7 years	7 years
Risk-free rate	5%	5%
Expected dividend yields	<u>5%</u>	<u>5%</u>

Expected volatility was determined by calculating the historical volatility of a basket of listed competitor companies' share prices over the previous year.

The company recognised total expenses of £23,361 (2009: £15,692) related to equity-settled share-based payment transactions in the year ended 30 April 2010.

finnCap Ltd (formerly JMFinn Capital Markets Limited)

Notes to the accounts Year ended 30 April 2010

9 Tangible fixed assets

	Fixtures, fittings and equipment £
Cost	
At 30 April 2009	105,446
Additions	68,071
	<hr/>
At 30 April 2010	173,517
	<hr/>
Accumulated depreciation	
At 30 April 2009	28,666
Charge for the period	43,700
	<hr/>
At 30 April 2010	72,366
	<hr/>
Net book value	
At 30 April 2010	101,151
	<hr/>
At 30 April 2009	76,780
	<hr/>

10. Goodwill

	Total £
Cost	
At 30 April 2009	525,000
Additions	-
	<hr/>
At 30 April 2010	525,000
	<hr/>
Amortisation	
At 30 April 2009	91,875
Charge for the period	52,500
	<hr/>
At 30 April 2010	144,375
	<hr/>
Net book value	
At 30 April 2010	380,625
	<hr/>
At 30 April 2009	433,125
	<hr/>

Goodwill is being amortised on a straight-line basis over a period of 10 years

finnCap Ltd (formerly JMFinn Capital Markets Limited)

Notes to the accounts Year ended 30 April 2010

11 Investments

	Total £
Cost	
At 30 April 2009	204,075
Additions	
Investments in AIM Listed Company	16,667
Loan Note in Unlisted Company	22,500
Disposals	
Investments in AIM Listed Company	(204,075)
At 30 April 2010	<u>39,167</u>
Net book value	
At 30 April 2010	<u>39,167</u>
At 30 April 2009	<u>204,075</u>

The investment for £204,075 held at the 30 April 2009 was sold on the 23 September 2009 for £209,990. The market value of the above investment in the AIM Listed Company at the year end was £86,667 based on the quoted mid-price at the close of business on the 30 April 2010. The value of the Loan Note in the Unlisted Company is shown at cost.

12. Other debtors

	2010 £	2009 £
Miscellaneous debtors	68,679	48,966
Prepayments	111,118	109,660
Accrued income	1,655	321
	<u>181,452</u>	<u>158,947</u>

13 Cash at bank and in hand

	2010 £	2009 £
Sterling balances at banks		
Current and deposit accounts	2,625,308	846,667
Foreign currency at banks on freely remittable accounts		
Current accounts	20,249	5,531
	<u>2,645,557</u>	<u>852,198</u>

finnCap Ltd (formerly JMFinn Capital Markets Limited)

Notes to the accounts Year ended 30 April 2010

14 Other creditors: amounts falling due within one year

	2010 £	2009 £
Corporation tax payable	265,264	58,552
Social Security	147,227	53,641
Miscellaneous creditors	101,793	77,344
Accruals	773,309	518,213
Overdrafts	137,808	-
Deferred income	191,354	329,167
	<u>1,616,755</u>	<u>1,036,919</u>

15 Other creditors: amounts falling due after more than one year

	2010 £	2009 £
Amounts payable	<u>600,000</u>	<u>600,000</u>

This amount is for an unsecured subordinated variable rate loan note repayable in 2017. The interest rate payable on the loan is a 3% margin on the Barclays base rate.

16 Share capital

Ordinary shares

	2010 £	2009 £
Authorised		
125,000,000 ordinary shares of £0.01 each	<u>1,250,000</u>	<u>1,250,000</u>
Allotted, called up and fully paid		
100,000,000 ordinary shares of £0.01 each	<u>1,000,000</u>	<u>1,000,000</u>

The Company has in issue only one class of ordinary shares, which is non-redeemable, carries one vote per share and has no right to dividends other than those recommended by the Directors, and an unlimited right to share in the surplus remaining on a winding up.

Preference shares

	2010 £	2009 £
Authorised		
30,000,000 preference shares of £0.01 each	<u>300,000</u>	<u>300,000</u>
Allotted, called up and fully paid		
30,000,000 preference shares of £0.01 each	<u>300,000</u>	<u>300,000</u>

The Company has in issue only one class of preference shares, which is non-redeemable, carries no voting rights and has no right to dividends other than those recommended by the Directors, and no right to share in the surplus remaining on a winding up.

finnCap Ltd (formerly JM Finn Capital Markets Limited)

Notes to the accounts Year ended 30 April 2010

The Company issued 30,000,000 preference shares at par for cash on the 31 July 2007. In the opinion of the directors, the preference shares have an economic value of nil.

16 Share capital (continued)

Options have been granted under the unapproved share option scheme to subscribe for ordinary shares of the company as follows

Grant Date	Number of shares under option £	Exercise price per share £	Exercise period £
1 August 2007	16,199,999	£0.01	7 years
17 October 2007	866,667	£0.01	7 years
28 November 2007	1,200,000	£0.02	7 years
21 May 2009	1,250,000	£0.05	7 years
28 July 2009	500,000	£0.02	7 years
28 July 2009	5,450,000	£0.05	7 years
7 September 2009	1,000,000	£0.05	7 years
1 February 2010	3,500,000	£0.05	7 years

17. Reconciliation of movement in shareholders' funds

	Share capital £	Own shares £	Profit and loss account £	Total shareholders' funds £
Opening Balance at 30 April 2008	1,300,000	(10,400)	276,943	1,566,543
- Dividend paid	-	-	(60,000)	(60,000)
- Purchase of shares by J M Finn Capital Markets Employee Benefit Trust	-	(132,500)	-	(132,500)
- Credit in relation to share based payments	-	-	15,692	15,692
- Profit on ordinary activities after taxation	-	-	8,142	8,142
- Dividend to JM Finn Capital Markets Employee Benefit Trust	-	-	1,974	1,974
Closing balance at 30 April 2009	1,300,000	(142,900)	242,751	1,399,851
- Sale of shares by J M Finn Capital Markets Employee Benefit Trust	-	267,453	-	267,453
- Purchase of shares by J M Finn Capital Markets Employee Benefit Trust	-	(228,000)	-	(228,000)
- Credit in relation to share based payments	-	-	23,361	23,361
- Profit on ordinary activities after taxation	-	-	382,432	382,432
Closing balance at 30 April 2010	1,300,000	(103,447)	648,544	1,845,097

finnCap Ltd (formerly JM Finn Capital Markets Limited)

Notes to the accounts

Year ended 30 April 2010

18. Reconciliation of movement in shareholders' funds (continued)

Own shares

The reserve for 'own shares' arises in connection with the Employee Benefit Trust, a discretionary trust established to facilitate the operation of the group's long-term incentive scheme. The amount of the reserve represents the deduction in arriving at shareholders' funds for the consideration paid for the company's shares purchased by the trust which had not vested unconditionally in employees at the balance sheet date.

The number and market value of the ordinary shares held by the employee benefit trust at 30 April 2009 was 2,907,607 (2009: 4,290,000) and £145,380 (2009: £42,900) respectively. None of these shares were under option to employees or had been conditionally gifted to them at the balance sheet date.

19. Clients' deposits

At 30 April 2010 amounts held by the company on behalf of clients in accordance with the requirements of the Client Assets Sourcebook of the Financial Services Authority amounted to £322,528 (2009: £4,570,004). The company has no beneficial interest in these deposits and accordingly these amounts are not incorporated in the company's balance sheet.

20. Related party transactions

The company has borrowed £600,000 by way of a sub-ordinated loan. Jon Moulton, a Director of the company, purchased the sub-ordinated loan from JM Finn & Co. Ltd on the 30 April 2010 for total consideration of £500,000.

During the year the company incurred expenses by way of service recharges in the amount of £749,738 from JM Finn & Co, which was the ultimate parent company of finnCap Ltd (formerly JM Finn Capital Markets Limited) for part of the year. At the year end, the company owed a balance of £208,475 to JM Finn & Co, included within other creditors.

21. Dividends on equity shares

No dividend was paid to shareholders during the period ended 30 April 2010 (2009: £nil). A dividend of £60,000 was paid in the year ending 30 April 2009, with respect to the period ended 30 April 2008.

The directors do not recommend the payment of a final dividend.