

Evolve Capital Plc

Annual Report and Accounts
for the year ended 31 December

2010

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DIRECTORS AND ADVISERS

Directors	O Vaughan (<i>Chairman</i>) M Jackson (<i>Non-Executive</i>) D W B Snow (<i>Non-Executive</i>)
Secretary and registered office	O C Cooke 223a Kensington High Street London W8 6SG
Bankers	Lloyds TSB Bank plc 9 West Street Bridport Dorset DT6 3QL
Solicitors	Fasken Martineau LLP 17 Hanover Square London W1S 1HU Memery Crystal LLP 44 Southampton Buildings London WC2A 1AP
Nominated adviser and broker	Allenby Capital Limited Claridge House 32 Davies Street Mayfair London W1K 4ND
Registrars and transfer agents	Share Registrars Limited 9 Lion & Lamb Yard Farnham Surrey GU9 7LL
Auditor	Deloitte LLP London
Registered number	06383902

CHAIRMAN'S STATEMENT

I am pleased to present Evolve Capital Plc's audited results for the year ended 31 December 2010. A summary of the financial performance of the Group can be found at the end of this statement.

When Evolve was formed in 2007 its stated strategy was to invest in promising companies that were either already on the PLUS market or who were seeking to join the PLUS market. The Company raised an initial £4.0 million to enable it to prove the viability of this strategy, and it has subsequently invested in a cross section of businesses, details of which are outlined below.

The second half of 2010 saw tough conditions for small and developing businesses, which still continue today. Some of the businesses in which we have invested are showing signs of being quite exciting, but in the short term will need nurturing and may possibly have a requirement for fresh funding. Nobody has a crystal ball and can see how long this challenging period is going to last. Evolve has taken a cautious view and not made any significant investments in the second half of the year, and has made every effort to preserve the Company's cash balances.

During 2010 the Company successfully raised additional funds; in part through the disposal of a part of its holding in unquoted Aconite Technology Limited but principally through a fully underwritten open offer to shareholders, which completed on 8 September and was encouragingly well supported.

Operations and investment activity

Evolve's wholly owned subsidiary St Helens Capital Partners LLP continues to be one of the leading corporate advisors to PLUS-quoted companies. In May 2011 at the PLUS Awards Dinner, St Helens won the award for the 'Fundraising of the Year' and subsequently went on to win the Growth Company Investor award for 'PLUS Advisor of the Year'. This is a commendable achievement, and the staff at St Helens are to be congratulated for their continued commitment to the development of the small cap market.

Despite the restrictions caused by the financial crisis St Helens has continued to play an active role in sponsoring events to promote the development of the market. During the year under review its clients have successfully raised some £7.5 million of new capital. The business continues to trade in a satisfactory manner and the Board of Evolve is confident that it will flourish as financial conditions improve.

Evolve's investments as at 31 December 2010 can be summarised as follows:

Name	Market	Shares held	%	Cost £	Fair value £
Aconite	Private	201,190	2.69	211,249	26,750
Astaire	AIM	110,067,610	53.61	9,476,171	572,351
Bluehone	PLUS	22,870,093	19.23	457,401	552,010
Pulse	PLUS	6,718,888	7.33	295,600	271,315
Woodspeen	PLUS	3,000,000	14.62	450,000	905,250
3D	AIM	53,974,354	31.70	1,289,925	3,555,561

Investment review

Aconite Technology Limited ("Aconite")

Aconite is a private company that has developed and is marketing a suite of open platform software products that enable the issuers of credit cards and other plastic payment cards to migrate to the new EMV industry standard (chip and pin) cards without the need to replace their existing infrastructure. The company's software also enables card issuers to issue and manage pre-paid debit cards and contactless payment cards. Due to financial difficulties that the company faced toward the end of 2009, Evolve, as a matter of prudence, wrote down the value of its holding in the company to £200,000.

In July 2010 Evolve sold 275,000 shares in Aconite to Elderstreet Investments for £250,000 in cash, which generated a profit of £77,000 over the UK GAAP written-down value of the shares. One of Evolve's directors, Michael Jackson, is also a director of and a shareholder in Elderstreet and as a consequence this transaction was classified as a related party transaction. Since that time Aconite has signed a number of new contracts and its prospects have improved significantly. The company is now trading profitably which might indicate that Evolve's remaining holding could be worth more than its current carrying value.

Astaire Group Plc ("Astaire Group")

Astaire Group had two principal trading businesses, Astaire Securities Plc which was an institutional stockbroker, corporate financial advisor and AIM Nominated advisor, and Rowan Dartington & Co Ltd which was an established private client stockbroker based in the South and West of England. Both these businesses have now been sold, Astaire Securities for £2,450,000 and Rowan Dartington for £1 million in five year zero coupon loan notes and a 30 per cent. equity interest in the new holding company, Rowan Dartington Holdings Limited. Astaire Group generated a loss of £7.7 million for the year to 31 December 2010.

This has proved to be a particularly unsuccessful investment on a number of levels and one for which I, again apologise wholeheartedly to all Evolve shareholders, but we are now considering a range of alternatives for generating some value from this investment.

Bluehone Plc ("Bluehone")

Bluehone was established in 2005 and specialises in managing funds focused on investing in small companies. Its executive directors previously worked together at F&C Asset Management and F&C is an investor in the business. Evolve acquired a 19.2 per cent. stake through investing £457,401 in shares at a price of 2 pence per share. In recent times the company has experienced a number of set-backs, the most significant of which was the transfer of one of its funds to new managers. The company is currently seeking to raise a new debt fund for smaller companies and it is hoped that this will be successful and will lead to a restoration of its fortunes, therefore the Directors believe no impairment is necessary.

CHAIRMAN'S STATEMENT continued***Pulse Group plc ("Pulse")***

Pulse is a leading provider of RPO (research process outsourcing) in the Asia Pacific region and services market research companies based throughout the world. During the course of 2010 both the company and its chief executive, Bob Chua, have won a number of awards for excellence and have generated a considerable volume of positive coverage in the local press. However, the company remains relatively small in size and needs to expand or to merge with a larger entity in order to realise its full potential.

Woodspeen Training plc ("Woodspeen")

Woodspeen is a training company addressing the government funded non academic adult training sector. The company is run by three former main board directors from BPP, a fully listed company that is one of the UK's leading professional training companies. Since joining the PLUS-quoted market in March 2008, the company has made a number of complimentary acquisitions and continues to trade profitably.

3D Diagnostic Imaging plc ("3D")

3D owns the exclusive rights to a technology platform using ACIST (Alternating Current Impedance Spectroscopy Technology) to accurately measure the integrity of a given structure. There are believed to be a number of substantial commercial applications for this technology. 3D's wholly owned subsidiary, CarieScan Limited, has launched the first commercial product based on the technology, which is a hand held, simple to use, highly accurate device for the early detection and monitoring of dental caries (tooth decay). In June 2010 the company signed a distribution agreement with Paterson Dental, one of the largest distributors of dental equipment in the USA with annual turnover of some \$2 billion, and entered the US market. The initial launch of the product went well and the company's product received a number of plaudits from influential industry figures, which sparked considerable interest in the product in countries outside of North America. However, early in 2011 the company suspended the selling of its product for a period whilst it resolved a manufacturing defect that had been detected. Selling activity has now been resumed and the company has recently signed distribution agreements covering India, Germany and China, all of which have the potential to be substantial markets. The company moved from the PLUS quoted market to AIM in November 2010.

Evolve has, to-date, made a total investment in the ordinary share capital of 3D of £1,289,925.

Financial performance

Overall the loss for the year was £8.8 million, compared to a loss in 2009 of £2.6 million. Further details of the financial performance are covered in the financial review on page 5.

During the period under review significant steps have been taken to reduce the Company's overhead base.

At 31 December 2010, the Company currently had net assets of £3.5 million including cash resources of £0.3 million. The consolidated group had net assets of £11.5 million including cash resources of £4.5 million.

For the moment we are patiently waiting for one or more of our investments to come to fruition, as well as hoping to derive some value from Astaire (albeit that this may take some time) since this will enable the Board to focus on our core strategy and recommence the investment process in pre-IPO and PLUS quoted companies. I look forward to advising you of further progress in due course.

Oliver Vaughan
Executive Chairman

28 June 2011

FINANCIAL REVIEW

The loss after tax for the year from all operations was £8.8 million compared with a loss of £2.6 million in 2009, and the loss after tax from continuing operations was £4.5 million in 2010 compared to £1.9 million profit in 2009.

The result before tax can be divided into the following:

	2010 £'000	2009 £'000
(Loss)/profit from continuing operations before taxation	(4,164)	2,016
Loss from discontinued operations before taxation (Note 12)	(4,990)	(5,113)

“Continuing operations” consists of the ongoing investment activities of Astaire Group, which is active in seeking to realise value from the assets it holds and minimise its exposure to liabilities. In the case of its subsidiary Corporate Synergy Holdings Limited the liabilities relate almost exclusively to the recently settled litigation and elsewhere in the Astaire Group they relate to a property lease. Astaire Group continues to incur the costs associated with running a publicly quoted group, although Astaire Group has recently announced its intention to seek the cancellation of the Admission of its shares from trading on AIM.

“Discontinued operations” relate to the activities of Astaire Securities Plc which was sold during the year, Dowgate Capital Stockbrokers Limited where there was a signed contract to sell prior to the year end and Rowan Dartington & Co Limited, where the Group had resolved to sell and were in advanced discussions with a view to completion of a sale early in 2011. Subsequent to the year end the sales of both Rowan Dartington and Dowgate Capital Stockbrokers were completed and announced.

Income statement

Gross fee and commission income for the Group in 2010 was £0.53 million and related almost exclusively to St Helens as all the other revenues generated arose from “discontinued” operations.

Realised gains on equity investments and option positions delivered a net gain of £0.36 million (2009: £0.67 million). The as yet unrealised movement in the valuation of options and warrants held at 31 December 2010 was a loss of £0.19 million (2009: gain of £3.1 million).

Following the disposal of Astaire Securities Plc, by Astaire Group, the Group made a loss on the investment of £1.1 million.

Operating expenses excluding impairments, amortisation, share based payments and restructuring charges, fell significantly as they are not now included due to being discontinued operations. Group expenses are expected to be reduced further during 2011 with very low headcount.

The carrying value of goodwill and other intangibles has been reviewed in the light of the anticipated discontinued nature of the operations and impaired accordingly; these impairments are incorporated into the discontinued operations line, other than that related to the ongoing business of St Helens. The amortisation and impairment charges, included in discontinued operations, for

2010 was £3.93 million. These charges related to both Rowan Dartington and Dowgate businesses.

Restructuring costs of £nil (2009: £897,000) primarily relate to the costs of redundancies effected earlier in the year, and again are included in discontinued operations.

Business review

Astaire Group Plc

As stated in the Chairman’s statement this has been a very disappointing investment, Astaire Group reported its results for 2010 including a loss after tax of £7.7 million.

St Helens Capital Partners LLP

St Helens had a satisfactory year of trading generating £0.53 million of revenue and a profit of £0.04 million.

Investments

During the year the Group sold approximately half of its holding in Aconite and invested further funds into 3D.

Loss per share

The basic loss per share from continuing operations for the year was 2.13 pence compared to earnings in 2009 of 1.15 pence. The loss per share from continuing and discontinued operations was 4.18 pence (2009: 1.59 pence).

Balance sheet

Net assets per share declined from 7.68 pence at 31 December 2009 to 3.25 pence at 31 December 2010. The main contributors to this were the trading loss from discontinued operations together with the impairment of intangibles and goodwill previously referred to and the loss on disposal of Astaire Securities Plc.

Included in assets, at 31 December 2010 was £4.5 million of cash (31 December 2009: £7.8 million) in the continuing operations (there remained cash in both Rowan Dartington & Co Limited and Dowgate Capital Stockbrokers Limited which is not included in this £4.5 million as it left the Group on the sales of those businesses).

Cash flow

At 31 December 2009 the cash and cash equivalents held by the consolidated group totalled £7.9 million. Since then Group cash and cash equivalents have fallen to £4.5 million at 31 December 2010, representing net cash per share of 1.58 pence (31 December 2009: 4.42 pence). The Group cash balances include cash held with the Astaire Group which are not available to Evolve. As at 31 December 2010 Evolve had cash resources of £0.3 million.

Dividends

The Board are not recommending the payment of a final dividend for 2010 (2009: nil).

Oliver Vaughan

Director

28 June 2011

REPORT OF THE DIRECTORS

The Directors present their report with the financial statements for the year ended 31 December 2010.

Principal activities

The Company's principal activity is to invest in companies on, or intending to join, the AIM or PLUS quoted markets. The Company is particularly focused on the financial services sector.

Principal developments and business review

The principal developments along with a business review, as required by the Companies Act 2006, are detailed in the Chairman's Statement and in the Financial Review.

The Group completed the disposal of Astaire Securities Plc during 2010 and subsequent to the year end has completed two further disposals, as detailed in notes 13 and 37 to the financial statements.

Future developments

The Company intends to focus on monitoring its existing investment portfolio with the objective of realising value over time.

Directors

The Directors of the Company during the year and their beneficial interests in the issued share capital are disclosed in the Directors' Remuneration Report on pages 10 and 11.

During the year, Directors' indemnity insurance was purchased on behalf of the Company's Directors.

Results and dividends

The results of the Group are set out in the Consolidated Income Statement on page 13. The Directors are not recommending the payment of a dividend (2009: nil).

Shares issued

During the year the Company issued 104,869,864 new ordinary shares as detailed in note 25 to the financial statements.

Substantial shareholdings

At 27 June 2011 the Company had received no notification other than those set out below, which should be recorded in the register of substantial interests.

Shareholder	Ordinary Shares of 0.1p each	Percentage of class
Oliver Vaughan	33,045,609	11.66
Bluehone Holdings Plc	20,073,094	7.08
Kimono Investment Holdings Limited	16,878,560	5.96
Lynchwood Nominees Limited	16,526,522	5.83
Trehearne Limited	13,045,737	4.60
Kinsale Capital Limited	11,002,187	3.88
Fitel Nominees Limited	8,521,749	3.01

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 are required to prepare the Group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and have elected to prepare the parent company 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 accounts 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 the parent company financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

In preparing the Group financial statements, International Accounting Standard 1 requires that Directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the Company's ability to continue as a going concern.

REPORT OF THE DIRECTORS continued

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.

Responsibility statement:

We confirm that to the best of our knowledge:

- the financial statements, prepared in accordance with the relevant financial reporting framework, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole; and
- the management report, which is incorporated into the Directors' report, includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

Going concern

As part of its regular assessment of the prospects for the Group, the Board has reviewed a detailed plan to 31 December 2012. Group cash balances have decreased further during 2010 and since the year end, but the Group has sufficient cash resources to meet its requirements.

The Board assesses the prospects of the Company only, as the prospects and going concern basis as applied to investee companies including Astaire Group Plc and subsidiaries are assessed by the Boards of these entities.

As a result of their considerations, the Directors have a reasonable expectation at the time of approving the financial statements that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Financial instruments

Details regarding the Group's use of financial instruments and their associated risks are given in note 34 to the financial statements.

Risk management

The Group, through its remaining regulated operating business St Helens Capital Partners LLP, is exposed to a number of business risks. The risk appetite of the Group is determined and monitored by the Board. Day to day review and control of risks is undertaken by management committees in each business segment. Risk issues arising were channelled back to the Board.

In common with other businesses operating in a regulated financial services environment, and to a greater or lesser extent other business sectors, the Group had identified the following as the key risks and their mitigants:

- **Loss of staff** – Staff are the most significant asset in the businesses. Retaining the services of key staff is essential to ongoing revenue generation and development of the businesses. The Board has established and developed incentive arrangements to retain key staff, including remuneration packages and equity participation schemes, together with providing opportunities for staff to develop and expand their roles.
- **Business strategy/reputational** – Delivering the Group's business strategy in the medium-term as well as preserving and enhancing the Group's reputation is key to delivering financial performance. To mitigate this risk, the Group has a plan in place which regularly reviews and uses as a tool in monitoring short and medium-term performance.
- **Regulatory and financial** – The risk of breaches by employees or the business of qualitative or financial rules. All senior management actively support the Group's culture of open and honest dealings with clients, internally and externally. The Group has an external compliance function that provides training and education as well as monitoring of compliance performance. Regulatory capital requirements are closely monitored and the Group retains capital balances in excess of requirements.
- **Business continuity** – The Group has business continuity plans in place to ensure minimum disruption to operations in the event of major infrastructure failure or an incident occurring in close proximity to its premises.

REPORT OF THE DIRECTORS continued

- **Market risk** – The Group is affected by conditions in the financial markets and the wider economy, with potential limitations on its ability to successfully market new corporate client equity issues, and in respect of its holdings in equity investments. The Group does not make markets in equities. The Group has exposure to principal positions which are managed by the Board. The ability to realise material value for these investments is affected by the performance of the stockmarket in general and certain equity securities in particular.
- **Litigation risk** – The Group was the subject of potentially significant litigation, as detailed in note 37, post balance sheet events. Following the year end this litigation was settled.

Payments to suppliers

It is the Group's policy to agree appropriate terms and conditions for its transactions with suppliers (by means ranging from standard terms and conditions to individually negotiated contracts) rather than to follow any code or standard payment practice, and to make payment in accordance with those terms and conditions, provided that the supplier has also complied with them. The number of creditor days outstanding at the year end was 25 (2009: 30).

Charitable donations

The Group made charitable donations in the year of £nil (2009: £10,100).

General Meeting

At the forthcoming General Meeting resolutions will be proposed as ordinary business to approve the audited accounts and to re-appoint the Company's auditors.

Auditor

In the case of each of the persons who are Directors of the Company at the date when this report is approved:

- so far as each of the Directors is aware, there is no relevant audit information (as defined in the Companies Act 2006) of which the Company's auditor is unaware; and
- each of the Directors has taken all the steps that they ought to have taken as a Director to make themselves aware of any relevant audit information (as defined) and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

Deloitte LLP have expressed their willingness to continue in office. A resolution to re-appoint Deloitte LLP as auditor will be proposed at the General Meeting.

By Order of the Board

David Snow
Director

28 June 2011

CORPORATE GOVERNANCE

The Board is committed to high standards of corporate governance and has considered, and wherever practical adopted, the provisions of the Combined Code of Corporate Governance. Quoted on AIM, the Company is not required to provide corporate governance disclosures, but has elected to provide information on how the principles have been adopted.

- **The Board**

Oliver Vaughan as executive Director, is responsible for the day to day operations of the Company including vetting potential investee companies and due diligence. He makes recommendations to the Board who make decisions concerning the investment of the Company's funds.

The Board has not chosen to appoint a senior independent non-executive Director, as due to the size of the organisation and regular contact by the Board and senior management with institutional shareholders, the Board is of the opinion that the appointment would be unlikely to further assist communication.

The Board meets ten times per annum, and at other times where necessary, to discuss a formal agenda of matters and make decisions on strategic and key operational issues. The Board also reviews the monthly financial performance of the Group on a timely basis, considers investment opportunities and any other significant matters.

Directors submit themselves for re-election at the first Annual General Meeting following their appointment and thereafter every three years by rotation in accordance with the Articles of Association.

The Board is available to discuss current events with its institutional and private shareholders and positively encourages attendance at the Annual General Meeting. The Board, through the Chairman's statement and financial review, together with the report of the Directors, presents a clear and detailed account of the Company's position and prospects.

- **Internal controls**

The Board regularly reviews the system of internal controls and considers their effectiveness in safeguarding shareholders' investments and the Group's assets. Any system of internal control can only be designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable but not absolute assurance against material misstatement or loss. Steps are taken to embed internal control and risk management further into the operations of the business and to deal with areas of improvement which come to management's and the Board's attention.

- **Remuneration Committee**

The Remuneration Committee is chaired by David Snow and comprises himself and Michael Jackson. The Committee determines the remuneration policy for the Group as well as the specific remuneration packages and terms of employment of the executive Directors. No Director plays any part in discussions about their own remuneration.

- **Audit Committee**

The Audit Committee is chaired by Michael Jackson and comprises himself and David Snow. The committee meets at least three times per annum. It is responsible for the Company's arrangements with its external auditors, including their independence, suitability and objectivity. The committee also reviews application of the Company's accounting policies and changes to financial reporting requirements to ensure their appropriateness and application to the Group's activities and transactions. The Committee also considers all significant financial announcements made by the Company, including preliminary and interim statements and the Annual Report and financial statements. The external auditors and executive Directors may be invited to attend meetings.

DIRECTORS' REMUNERATION REPORT

Unaudited information

The remuneration policy for executive Directors and the agreement of individual packages for Directors is delegated by the Board to the Remuneration Committee. The Remuneration Committee comprises David Snow as Chairman and Michael Jackson.

Remuneration policy

The remuneration packages of executive Directors are set with the specific intention of:

- attracting and retaining high calibre individuals with the requisite skills and experience to manage a significant and growing financial services business;
- providing the motivation and incentive to deliver increasing profitability, alongside efficient use of capital and developing the quality of the brand and reputation of the Group;
- aligning interests with those of shareholders; and
- balancing the relative values of roles and responsibilities of the executive Directors with the needs of other senior executives across the Group.

Executive Directors receive a base salary, together with benefits (death in service and private medical insurance) consistent with all other Group employees. The Group's death in service scheme provides for four times basic salary in the event of death. The Group's private medical insurance scheme provides cover for the insured employee plus spouse and minor children.

Non-executive Directors

The remuneration for non-executive Directors is determined by the executive Directors. Each non-executive is paid an annual fee and reimbursed all reasonable expenses incurred in relation to their duties as a non-executive Director.

Directors' pension entitlements

Directors make their own arrangements in respect of pension schemes.

Directors' share options and share option grants

The Company does not currently have a share option scheme, and hence there were no grants to Directors during the year. Astaire Group Plc has three share option schemes, but no Director of Evolve Capital Plc currently holds options under any of these schemes.

Directors' service contracts

Oliver Vaughan has a service agreement with the Company with a notice period of six months. David Snow and Michael Jackson have letters of appointment with notice periods of six months.

All Directors are required to retire by rotation, with one third of the Board (other than those who are standing for re-election because it is the first Annual General Meeting since their appointment) seeking re-election each year at the Annual General Meeting.

All Directors appointed since the last Annual General Meeting are required to stand for re-election at the first Annual General Meeting after their appointment.

DIRECTORS' REMUNERATION REPORT continued**Audited information**

The Directors' remuneration report from page 10 up to this statement has not been audited.

A summary of the total remuneration paid to executive and non-executive Directors appears in the table below:

	Salary and fees £'000	Pension £'000	Benefits in kind £'000	Total 2010 £'000	Total 2009 £'000
Executive					
O J Vaughan	40	—	—	40	44
E Vandyk	52	—	—	52	103
Non-Executive					
D W Snow	62	—	—	62	46
A C Roberts	105	—	10	115	19
J J Noble	47	—	—	47	41
M Jackson	32	—	—	32	28
	338	—	10	348	281

Directors' shareholdings and share options

The Directors of the Company during the year and their beneficial interests in the issued share capital, together with details of share options issued, appear in the table below:

	31 December 2010 or date of resignation		1 January 2010	
	Ordinary Shares of 1p each	Options	Ordinary Shares of 1p each	Options
O J Vaughan	33,045,609	—	15,550,878	—
D W Snow	3,999,998	—	1,346,250	—
M Jackson	4,250,000	—	2,000,000	—
O C Cooke (appointed 14 July 2010, resigned 17 August 2010)	—	—	—	—
E Vandyk (resigned 26 May 2010)	12,156,451	—	12,156,451	—
J J Noble (resigned 26 May 2010)	1,250,000	—	1,250,000	—
A C Roberts (resigned 26 May 2010)	1,674,165	—	1,674,165	—

Directors' share dealing

On 8 September 2010 Oliver Vaughan, Michael Jackson and David Snow subscribed for 17,494,731, 2,250,000 and 2,653,748 shares respectively at 0.5 pence per share in the open offer.

David Snow

Director

28 June 2011

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF EVOLVE CAPITAL PLC

We have audited the Group financial statements of Evolve Capital Plc for the year ended 31 December 2010 which comprise the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated Balance Sheet, the Consolidated Statement of Changes in Equity, the Consolidated Cash Flow Statement and the related notes 1 to 37. 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.

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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and auditor

As explained more fully in the Directors' responsibilities statement, the Directors are responsible for the preparation of the Group financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the Group 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.

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 Group'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. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the Group financial statements:

- give a true and fair view of the state of the Group's affairs as at 31 December 2010 and of its loss 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 Group 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:

- 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.

Other matters

We have reported separately on the parent company financial statements of Evolve Capital Plc for the year ended 31 December 2010.

Although not required to do so, the Directors have voluntarily chosen to make a corporate governance statement detailing the extent of their compliance with the June 2008 Combined Code.

We reviewed:

- the Directors' statement in relation to going concern; and
- certain elements of the report to shareholders by the Board on Directors' remuneration.

Simon Cleveland (Senior Statutory Auditor)

For and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditors
London, United Kingdom

28 June 2011

CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2010

	Note	2010 £'000	2009 £'000
Fee and commission income	3	533	256
Fee and commission expenses		(23)	(17)
Net fee and commission income		510	239
Other income		—	—
Total income		510	239
Profit on disposal of available-for-sale investments		359	671
(Loss)/Gain on fair value through profit and loss investments		(186)	3,087
Loss on sale of subsidiary undertaking	13	(1,052)	(616)
Operating expenses			
Impairment of goodwill and other intangibles	15	(362)	—
Amortisation of other intangibles	16	(76)	(52)
Restructuring costs	5	—	—
Share-based payments credit		85	775
Share-based payments charge		—	(54)
Other operating expenses		(3,445)	(2,132)
Total operating expenses		(3,798)	(1,463)
Operating (loss)/profit	6	(4,167)	1,918
Investment revenue	9	36	104
Finance costs	10	(33)	(6)
(Loss)/profit on ordinary activities before taxation		(4,164)	2,016
Taxation charge	11	(327)	(114)
(Loss)/profit from continuing operations		(4,491)	1,902
Discontinued operations			
Loss from discontinued operations	12	(4,346)	(4,546)
Loss for the period		(8,837)	(2,644)
Attributable to:			
Owners of the Company	29	(5,279)	315
Non-controlling interests	30	(3,558)	(2,959)
		(8,837)	(2,644)
(Loss)/earnings per ordinary share (pence)	14		
From continuing operations			
– Basic		(2.13)	1.15
– Diluted		(1.85)	1.15
From continuing and discontinued operations			
– Basic		(4.18)	(1.59)
– Diluted		(3.65)	(1.59)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2010

	Note	2010 £'000	2009 £'000
Loss for the period		(8,837)	(2,644)
Other comprehensive income:			
Gains on revaluation of available-for-sale investments taken to equity, net of tax		208	310
Exchange differences on translation of foreign operations		—	3
Exchange differences on sale of foreign operations		—	(3)
Transferred to profit or loss on sale of available-for-sale investments		(63)	(5)
Deferred tax relating to components of other comprehensive income		(171)	101
Other comprehensive income for the year, net of tax	27	(26)	406
Total comprehensive income for the year		(8,863)	(2,238)
Total comprehensive income attributable to:			
Owners of the Company		(5,286)	702
Non-controlling interests	30	(3,577)	(2,940)
		(8,863)	(2,238)

CONSOLIDATED BALANCE SHEET

AS AT 31 DECEMBER 2010

		31 December 2010	31 December 2009	28 December 2008
	Note	£'000	£'000	£'000
ASSETS				
Non-current assets				
Goodwill	15	—	1,400	—
Other intangible assets	16	160	3,967	—
Property, plant and equipment	17	7	503	7
Total non-current assets		167	5,870	7
Current assets				
Trade and other receivables	19	1,816	8,296	314
Available-for-sale investments	20	2,346	2,963	1,603
Fair value through profit and loss investments	34	4,484	4,813	25
Cash and cash equivalents	19	4,463	7,895	2,423
Assets held for sale	12	7,272	—	—
Total current assets		20,381	23,967	4,365
Total assets		20,548	29,837	4,372
LIABILITIES				
Current liabilities				
Trade and other payables	21	2,478	8,638	73
Current tax liabilities		1	20	—
Provisions	22	—	511	—
Liabilities directly associated with assets held for sale	12	5,373	—	—
Total current liabilities		7,852	9,169	73
Non-current liabilities				
Deferred tax liabilities	23	1,032	1,082	133
Convertible loan stock	24	172	—	—
Total non-current liabilities		1,204	1,082	133
Total liabilities		9,056	10,251	206
EQUITY				
Share capital	25	1,890	1,785	463
Share premium account	26	11,789	11,457	3,478
Equity reserve	28	247	—	—
Fair value and other reserves	27	721	728	341
Retained deficit	29	(5,448)	(255)	(116)
Parent Company's shareholders' equity		9,199	13,715	4,166
Non-controlling interests	30	2,293	5,871	—
Total equity and liabilities		20,548	29,837	4,372

The financial statements for Evolve Capital Plc, registered number 6383902, were approved by the Board of Directors and authorised for issue on 28 June 2011.

David Snow
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2010

	Share capital £'000	Share premium £'000	Equity reserve £'000	Fair value and other reserves £'000	Retained earnings £'000	Total £'000	Non- controlling interests £'000	Total equity £'000
Balance at 28 December 2008	463	3,478	—	341	(116)	4,166	—	4,166
Issue of share capital	1,322	7,929	—	—	—	9,301	8,811	18,112
Share-based payments credit	—	—	—	—	(454)	(454)	—	(454)
Loss for the year	—	—	—	—	315	315	(2,959)	(2,644)
Total comprehensive income for the period	—	—	—	387	—	387	19	406
Balance at 31 December 2009	1,785	11,457	—	728	(255)	13,715	5,871	19,586
Issue of share capital	105	419	—	—	—	524	—	524
Share issue expenses	—	(87)	—	—	—	(87)	—	(87)
Issue of convertible loan stock	—	—	241	—	—	241	—	241
Share-based payments credit	—	—	—	—	92	92	—	92
Loss for the year	—	—	—	—	(5,279)	(5,279)	(3,558)	(8,837)
Transfer between reserves	—	—	6	—	(6)	—	—	—
Other comprehensive income for the year	—	—	—	(7)	—	(7)	(20)	(27)
Balance at 31 December 2010	1,890	11,789	247	721	(5,448)	9,199	2,293	11,492

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2010

	Note	2010 £'000	2009 £'000
Net cash used in operating activities	31	(3,653)	(5,045)
Investing activities			
Interest received		49	343
Dividends received		17	21
Proceeds on disposal of available-for-sale investments		599	3,341
Purchases of available-for-sale investments		(211)	(3,230)
Purchases of fair value through profit and loss investments		(450)	(815)
Proceeds on disposal of property, plant and equipment		1	—
Purchases of property, plant and equipment		(437)	(201)
Acquisition of subsidiary		—	10,651
Disposal of subsidiary		(263)	(95)
Net cash (used in)/from investing activities		(695)	10,015
Financing activities			
Capital element of finance leases repaid		—	(25)
Proceeds from issue of ordinary share capital		524	501
Proceeds from issue of convertible loan stock		480	—
Expenses of share issues		(88)	—
Net cash from financing activities		916	476
Net (decrease)/increase in cash and cash equivalents		(3,432)	5,446
Cash and cash equivalents at beginning of year		7,895	2,423
Effect of foreign exchange rates		—	26
Cash and cash equivalents at end of year	19	4,463	7,895

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2010

1. ACCOUNTING POLICIES

General information

Evolve Capital Plc is a company incorporated in England and Wales under the Companies Act 2006. The address of the registered office is given on page 2. The nature of the Group's operations and its principal activities are set out in note 4 and in the financial review on page 5.

Adoption of new and revised standards

In the current year, no new and revised Standards and Interpretations have been adopted that have affected the amounts reported in these financial statements.

Standards in issue but not yet effective.

The Directors do not expect the adoption of Standards and Interpretations in issue but not yet effective (and in some cases not yet been adopted by the EU) in future periods will have a material impact on the financial statements of the Group.

The following accounting policies have been applied in dealing with items which are considered material in relation to the Group's financial statements:

a) Basis of preparation

These financial statements have been prepared in accordance with IFRS as adopted by the European Union and IFRIC interpretations and with the Companies Act 2006.

The consolidated financial statements have been prepared under the historical cost convention, with the exception of financial instruments, which are stated in accordance with IAS 39 Financial Instruments: Recognition and Measurement.

b) Going concern

As part of its regular assessment of the prospects for the Group, the Board has reviewed a plan to 31 December 2012. Group cash balances have decreased further during 2010 and since the year end, but the Group has sufficient cash resources to meet its requirements.

The Board assesses the prospects of the Company only, as the prospects and going concern basis as applied to investee companies including Astaire Group Plc and subsidiaries are assessed by the Boards of these entities.

As a result of their considerations, the Directors have a reasonable expectation at the time of approving the financial statements that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

c) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to 31 December each year. Control is achieved where the Company has the power to govern the financial and operating policies of an investee entity so as to obtain benefit from its activities. The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Changes in percentage interest (increases and decreases) of a controlled entity that do not result in a change of control are accounted for as transactions with equity holders, and no adjustment is made to goodwill. The difference between the amount paid and the book value of the non-controlling interests eliminated is taken directly to equity.

d) Revenue recognition

The Group follows the principles of IAS 18, 'Revenue Recognition', in determining appropriate revenue recognition policies. In principle, therefore, revenue is recognised to the extent that it is probable that the economic benefits associated with the transaction will flow into the Group.

Corporate finance: Revenue comprises the value of services supplied by the Group, exclusive of value added tax. Advisory fees are recognised when the relevant transaction is completed and retainer fees are recognised over the length of time of the agreement. Stockbroking: Revenue comprises commission and other fees and is recognised when receivable in accordance with the date of the underlying transaction. Other income includes dividend income on available-for-sale investments.

Interest income is accrued on a time basis by reference to the principal outstanding and at the effective interest rate applicable.

e) Operating segments

The Group adopted International Financial Reporting Standard 8 "Operating Segments" for its financial statements for the year ended 31 December 2009. IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the Board to allocate resources to the segments and to assess their performance.

NOTES TO THE FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 31 DECEMBER 2010

1. ACCOUNTING POLICIES continued**f) Business combinations**

The acquisition of subsidiaries is accounted for using the purchase method. The cost of acquisition is measured as the aggregate of the fair values, at the date of exchange, of the assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 are recognised at their fair value at the acquisition date.

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised.

g) Goodwill

Goodwill arising on consolidation represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of a subsidiary, associate or jointly controlled entity at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any impairment. Goodwill which is recognised as an asset is reviewed for impairment at least annually. Any impairment is recognised immediately and is not subsequently reversed.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently where there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying value of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit *pro-rata* on the basis of the carrying value of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Any negative goodwill is recognised immediately in the income statement.

On disposal of a subsidiary, associate or jointly controlled entity, the attributable amount of goodwill is included in the determination of the profit or loss on disposal. Goodwill arising on acquisitions before the date of transition to IFRSs has been retained at the previous UK GAAP amounts subject to being tested for impairment at that date.

h) Intangible assets

Intangible assets acquired separately are measured, on initial recognition, at cost. Following initial recognition, intangible assets acquired separately are carried at cost less accumulated amortisation and any accumulated impairment. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition.

Intangible assets are amortised over their useful economic lives. The amortisation period and method for an intangible asset are reviewed at least once every financial year. Changes in the expected useful economic life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method and treated as changes in accounting estimates. Amortisation is calculated on a straight line basis to write down the cost of intangible assets to their residual values.

i) Property, plant and equipment

All property, plant and equipment is shown at cost less subsequent depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of items. Depreciation is charged so as to write off the cost of assets over their useful economic lives, using the straight line method, on the following bases:

Leasehold improvements	—	period of lease
Furniture and fittings	—	25 per cent. or 20 per cent. per annum
Office equipment	—	25 per cent. per annum
Motor vehicles	—	12.5 per cent. per annum

The assets' residual values and useful lives are reviewed, and if appropriate asset values are written down to their estimated recoverable amounts, at each balance sheet date. Gains and losses on disposals are determined by comparing proceeds with the carrying amounts, and are included in the income statement.

j) Impairment of tangible and intangible assets excluding goodwill

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. An intangible asset with an indefinite useful life is tested for impairment annually and whenever there is an indication that the asset may be impaired.

NOTES TO THE FINANCIAL STATEMENTS continued
FOR THE YEAR ENDED 31 DECEMBER 2010

1. ACCOUNTING POLICIES continued

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value, using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately.

k) Trade and other receivables

Trade and other receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

l) Available-for-sale investments

Investments previously classified as current and fixed asset investments (excluding investments in associates) have been re-classified as available-for-sale investments, and initially recognised at fair value. Subsequent available-for-sale investments are recognised and derecognised on a trade date where a purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at cost, including transaction costs.

At subsequent reporting dates, available-for-sale investments are measured at fair value. Gains or losses arising from changes in fair value are recognised directly in equity, until the security is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognised in equity is included in the net profit or loss for the period. Impairment losses recognised in profit or loss are not subsequently reversed through profit or loss. Any

increase in fair value subsequent to an impairment loss is recognised directly in equity.

The fair values of available-for-sale investments quoted in active markets are determined by reference to the current quoted bid price. Where independent market prices are not available, fair values may be determined using valuation techniques with reference to observable market data.

Available-for-sale investments are disposed of when commercially beneficial to the Group.

m) Fair value through profit and loss, and derivative financial instruments

Investments acquired where the shareholding is in excess of 20 per cent., but where the Group has neither control nor significant influence are designated as fair value through profit and loss at initial recognition, and all subsequent changes in fair value are recognised in the income statement in the period of change.

Derivatives, including share options and warrants, are measured initially at fair value and subsequently re-measured to fair value, through the income statement. Fair values are calculated using industry-standard valuation techniques, including the Black-Scholes model. The valuation inputs include the bid-price of the underlying equity, volatility measurements based on historical equity prices, the expected life of the option and published risk free interest rates. All derivatives are included in assets when their fair value is positive and liabilities when their fair value is negative, unless there is the legal ability and intention to settle net.

n) Cash and cash equivalents

Cash and cash equivalents comprise cash and demand deposits, and other short-term highly liquid investments that are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Such investments are normally those with original maturities of three months or less.

o) 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 measured at amortised cost. The Group accrues for all goods and services consumed but as yet unbilled at amounts representing management's best estimate of fair value.

p) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

NOTES TO THE FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 31 DECEMBER 2010

1. ACCOUNTING POLICIES continued

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

q) Equity instruments

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

r) Compound instruments

The component parts of compound instruments (convertible loan notes) issued by the Group are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangement. At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for a similar non-convertible instrument. This amount is recorded as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date. The equity component is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured.

s) Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

t) Pensions

Contributions to the personal pension schemes of certain employees are charged to the income statement in the year in which they become payable.

u) Share-based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to the income statement over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are

factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether the market vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

When the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the income statement over the remaining vesting period.

Where equity instruments are granted to persons other than employees, the income statement is charged with the fair value of the goods and services received.

v) Taxation

The tax expense represents the sum of the tax currently payable and the deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally 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 the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

NOTES TO THE FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 31 DECEMBER 2010

1. ACCOUNTING POLICIES continued

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

w) Foreign currencies

The individual financial statements of each Group company are presented in the currency of the primary economic environment in which it operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each Group company are expressed in pounds sterling, which is the functional currency of the Company, and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual companies, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical costs in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period, except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in equity.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's overseas operations are translated at exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising, if any, are classified as equity

and transferred to the Group's translation reserve. Such translation differences are recognised as income or expense in the period in which the operation is disposed of.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

x) Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets of the Group at their fair value or, if lower, at the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income.

Operating lease rentals are charged to the income statement on a straight-line basis over the term of the lease.

Benefits received and receivable as an incentive to enter into an operating lease are also spread on a straight-line basis over the lease term.

y) Client money

The Group holds money on behalf of clients in accordance with the Client Asset Rules of the Financial Services Authority. Such monies and the corresponding liabilities to the clients are excluded from the balance sheet and disclosed in the notes.

z) Assets/liabilities held for sale and discontinued operations

The Group has reclassified certain assets and liabilities as "held for sale". Assets and liabilities are reclassified where, prior to the year end, there is a clear and irreversible intention to dispose of a business including all of its assets and liabilities. Held for sale assets and liabilities are measured at the lower of carrying amount and fair value less costs to sell. Associated revenues, expenses and tax are presented as discontinued where assets and liabilities are classified as held for sale and the component represents a separate major line of business.

NOTES TO THE FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 31 DECEMBER 2010

2. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 1, the Directors are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision occurs only in that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Allowance for bad debts

The Group makes provision for the element of fees which it believes will not be recovered from clients. This is based on past experience and detailed analysis of the outstanding fees position particularly with regard to the value of customers' portfolios relative to the fees owed.

Fair value of investments, options and warrants

The Group currently holds an investment in Euroclear Plc, which is held as an available-for-sale financial asset and measured at fair value at the balance sheet date. The Euroclear Plc shares do not trade in an active market, and therefore a view is formed as to fair value based on the most recently traded price and the net asset value of the business adjusted for liquidity considerations.

The Group holds a number of less liquid investments that are valued based on quoted prices with a discount factor applied. The Group also holds a number of options and warrants in smaller quoted companies which are valued using Black-Scholes valuation models adjusted based on the illiquidity of the underlying equities.

Share-based payments

The Company's shares are traded on AIM, and this provides a market price to help determine the fair value of equity-settled share-based payments and in addition to this, estimations are made as to price volatility, risk free interest rate and expected life. These estimations enable the Black-Scholes model to be used to determine the fair value of these equity-settled share-based payments.

Impairment

The assets on the balance sheet are reviewed for any indications of impairment. This is done with reference to the recoverability and market value of the assets concerned but may involve an element of judgment or estimation in determining whether there are any indications of impairment and, if so, the extent of any impairment loss.

Cut off on disposals

Sale of subsidiaries is only deemed to have occurred following satisfaction of all material conditions precedent in the sale and purchase agreement signed. Such material conditions precedent include the granting of permission for change of control by the Financial Services Authority.

NOTES TO THE FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 31 DECEMBER 2010

3. REVENUE

An analysis of the Group's revenue is as follows:

	2010 £'000	2009 £'000
Continuing operations		
Rendering of services	533	256
Other operating income	—	—
Investment revenue (see note 9)	36	104
	569	360
Discontinued operations		
Sales (see notes 4 and 12)	13,453	16,307
	14,022	16,667

4. BUSINESS AND GEOGRAPHICAL SEGMENTS

The Group adopted IFRS 8 Operating Segments with effect from 1 January 2009. IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the Board to allocate resources to the segments and to assess their performance. In contrast, the predecessor Standard (IAS 14 Segment Reporting) required the Group to identify two sets of segments (business and geographical), using a risk and returns approach, with the Group's system of internal financial reporting to key management personnel serving only as the starting point for the identification of such segments.

The Group reviews its results by investment and its reportable segments under IFRS 8 are therefore as follows:

- Astaire Group, the investment banking and private client stockbroking group.
- St Helens Capital Partners, a PLUS adviser.
- Investments held as available-for-sale or fair value through profit and loss.

NOTES TO THE FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 31 DECEMBER 2010

4. BUSINESS AND GEOGRAPHICAL SEGMENTS continued**Segment revenues and results**

The following is an analysis of the Group's revenue and results by reportable segment for 2009:

	Astaire Group 2009 £'000	St Helens Capital Partners 2009 £'000	Investments 2009 £'000	Discontinued operations 2009 £'000	Eliminations 2009 £'000	Consolidated 2009 £'000
Revenue						
External sales	15,442	202	—	(15,388)	—	256
Other income	806	—	—	(806)	—	—
Inter-segment sales	3	(3)	—	—	—	—
Total revenue	16,251	199	—	(16,194)	—	256
Result						
Segment result	(7,492)	2	2,619	7,797	—	2,926
Central administration costs						(1,008)
Operating profit						1,918
Investment revenue						104
Finance costs						(6)
Profit on ordinary activities before taxation						2,016
Taxation						114
Profit from continuing operations						1,902
Loss from discontinued operations						(4,546)
Loss after taxation and discontinued operations						(2,644)
Segment assets						
				2010 £'000	2009 £'000	2008 £'000
Astaire Group				5,397	23,633	—
St Helens Capital Partners				360	551	—
Investments				6,830	4,882	1,628
Discontinued operations				7,272	—	—
Total segment assets				19,859	29,066	1,628
Unallocated assets				689	771	2,744
Consolidated total assets				20,548	29,837	4,372

For the purposes of monitoring segment performance and allocating resources between segments the Group's Chairman monitors the tangible, intangible and financial assets attributable to each segment. Goodwill has been allocated to reportable segments as described in note 15. Unallocated assets comprise cash and financial assets held by non-trading holding companies.

NOTES TO THE FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 31 DECEMBER 2010

4. BUSINESS AND GEOGRAPHICAL SEGMENTS continued**Other segment information**

	Depreciation and amortisation		Additions to non-current assets	
	2010 £'000	2009 £'000	2010 £'000	2009 £'000
Astaire Group	—	1,084	(5,230)	5,230
St Helens Capital Partners	77	55	(470)	631
Investments	—	—	—	—
Discontinued operations	816	—	—	—
Total segment assets	893	1,139	(5,700)	5,861

In addition to the depreciation and amortisation reported above, impairment losses of £3,750,000 (2009: £1,549,000) were booked in respect of goodwill and other intangibles. These impairment losses were attributable to the following reportable segments:

	2010 £'000	2009 £'000
Astaire Group	—	1,549
St Helens Capital Partners	362	—
Investments	—	—
Discontinued operations	3,388	—
Total segment assets	3,750	1,549

The restructuring costs of £nil (2009: £897,000) were all attributable to Astaire Group Plc.

Geographical information

The Group's revenue from external customers and information about its segment assets (non-current assets) by geographical location are detailed below:

	Revenue from external customers		Non-current assets		
	2010 £'000	2009 £'000	2010 £'000	2009 £'000	2008 £'000
United Kingdom	12,895	15,334	—	5,870	7
Australia	—	142	—	—	—
	12,895	15,476	—	5,870	7

5. RESTRUCTURING COSTS

During 2009 Astaire Group Plc, a 100 per cent. owned subsidiary, carried out a full operational review of its business as a whole, resulting in a programme of redundancies within its investment banking business.

Following Astaire Group Plc's acquisition and integration of Dowgate Capital Plc, the investment banking operations of the business were integrated with those of Astaire Securities Plc and the employees re-located. The London premises of Dowgate Capital Plc became vacant, and the costs of the fit-out of those premises were therefore written-off. All of these costs are now incorporated in discontinued activities.

	2010 £'000	2009 £'000
Redundancy costs	—	739
Tangible fixed assets written-off	—	158
	—	897

NOTES TO THE FINANCIAL STATEMENTS continued
FOR THE YEAR ENDED 31 DECEMBER 2010

6. OPERATING LOSS FOR THE YEAR

	2010 £'000	2009 £'000
Operating loss, for continuing operations, is stated after charging/(crediting):		
Amortisation of other intangibles	77	52
Depreciation of property, plant and equipment	3	5
Loss on disposal of property, plant and equipment	—	—
Loss on disposal of subsidiary	(1,052)	616
Staff costs	389	8
Impairment loss recognised on goodwill and other intangibles	362	—
Impairment loss recognised on available-for-sale equity investments	40	590

7. AUDITOR'S REMUNERATION

The analysis of auditor's remuneration is as follows:

	2010 £'000	2009 £'000
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	15	12
Fees payable to the Company's auditor and their associates for other services to the Group		
– The audit of the Company's subsidiaries pursuant to legislation	72	111
Total audit fees	87	123
– Tax services	48	34
– Other services (see below)	97	36
Total non-audit fees	145	70

Other services include forensic work on debtor balances at Rowan Dartington & Co Limited, a review of regulatory capital adequacy and work on an employee share scheme in Astaire Group Plc.

8. STAFF COSTS AND EMPLOYEES

	2010 £'000	2009 £'000
Continuing and discontinued activities		
Wages and salaries	6,591	8,099
Redundancy costs	237	665
Social security costs	765	986
Other pension costs	304	344
Share-based payment charge	92	(454)
	7,989	9,640

The average monthly number of employees (including executive Directors) was:

	No.	No.
Client facing staff	74	90
Finance, operations and administrative staff	69	82
	143	172

NOTES TO THE FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 31 DECEMBER 2010

9. INVESTMENT REVENUE

	2010 £'000	2009 £'000
Interest on bank deposits	19	83
Dividends from equity investments	17	21
	36	104

Investment revenue earned on financial assets analysed by category of asset is as follows:

Available-for-sale financial assets	17	21
Loans and receivables (including cash and bank balances)	19	83
	36	104

10. FINANCE COSTS

	2010 £'000	2009 £'000
Interest on bank overdrafts and loans	2	6
Interest on convertible loan notes	31	—
	33	6

11. TAXATION

	Continuing operations		Discontinued operations		Total	
	Year ended 2010 £	Year ended 2009 £	Year ended 2010 £	Year ended 2009 £	Year ended 2010 £	Year ended 2009 £
Corporation tax:						
Current year credit	—	(63)	—	—	—	(63)
Adjustments in respect of prior years	—	6	6	—	6	6
Deferred tax movement (note 23)	(327)	(395)	638	—	311	(395)
	(327)	(452)	644	—	317	(452)

UK corporation tax is calculated at 28 per cent (2009: 28 per cent) of the estimated assessable profit for the year. Deferred tax is calculated at a rate of 27 per cent. (2009: 28 per cent.). Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

No tax charge or credit arose on the disposal of the relevant subsidiary.

NOTES TO THE FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 31 DECEMBER 2010

The credit for the year can be reconciled to the loss per the income statement as follows:

	2010 £'000	2009 £'000
Tax credit at the UK corporation tax rate of 28 per cent. (2009: 28 per cent.)	(1,116)	(867)
Effects of:		
Expenses not deductible in determining taxable profit	232	594
Depreciation in excess of capital allowances	2	71
Revaluation of exempt fair value through profit and loss assets	—	(613)
Negative goodwill	—	(720)
Share-based payments credit	(23)	(127)
Impairment of goodwill	—	—
Creation of tax losses not recognised	65	1,204
Impact of sale of subsidiary	563	—
Adjustments in respect of prior years	—	6
Total tax credit	(327)	(452)

The effective tax rate for the year was 10 per cent. (2009: 5 per cent.).

A number of changes to the UK corporation tax system were announced in the June 2010 Budget Statement. The Finance (No. 2) Act 2010, which was substantively enacted on 20 July 2010, included legislation reducing the main corporation tax rate from 28 per cent. to 27 per cent. from 1 April 2011. The effects of this reduction in corporation tax rate are included in these financial statements through their impact on the calculation of deferred tax.

It was announced in the March 2011 Budget Statement that the main corporation tax rate will be further reduced to 26 per cent. from 1 April 2011 under the Provisional Collection of Taxes Act 1968. Further reductions are proposed to reduce the rate by 1 per cent. per annum to 23 per cent. by 1 April 2014. The reduction to 26 per cent. from 1 April 2011 has been substantively after the balance sheet date. The further changes to 23 per cent. by 1 April 2014 have not been substantively enacted and their impact therefore not included in these financial statements. The impact in each case is expected to be limited to the calculation of the value of deferred tax, and therefore is not viewed by the directors as having a material impact.

12. DISCONTINUED OPERATIONS

On 22 October 2010 the Group completed the disposal of Astaire Securities Plc, its London based investment banking business. The Group had also taken the decision prior to the year end, to sell both Dowgate Capital Stockbrokers Limited and Rowan Dartington & Co Limited.

Contracts were exchanged for the sale of Dowgate Capital Stockbrokers Limited on 24 December 2010 and the disposal subsequently completed on 14 February 2011. The Group had also entered in an agreement granting exclusivity to certain parties who subsequently exchanged contracts and then completed on the acquisition of Rowan Dartington & Co Limited on 8 March 2011. Accordingly the activities of Astaire Securities Plc, Dowgate Capital Stockbrokers Limited and Rowan Dartington & Co Limited have been treated as discontinued.

On 3 June 2009 the Group completed the disposal of Inteq Limited, its Australian corporate finance subsidiary. During 2009 the Group's subsidiary Blue Oar Asset Management LLP closed both its managed funds and ceased operations. These actions were effected as part of the Group's strategy, implemented following the operating review carried out by the Board immediately following the Group's acquisition by Evolve Capital Plc on 29 December 2008, to cut costs and exit loss making businesses.

NOTES TO THE FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 31 DECEMBER 2010

12. DISCONTINUED OPERATIONS continued

The results of the discontinued operations, which have been included in the consolidated income statement, were as follows:

	2010 £'000	2009 £'000
Total income	10,996	13,834
Profit on disposal of investments	6	78
Expenses	(15,992)	(19,025)
Loss before taxation	(4,990)	(5,113)
Attributable taxation credit	644	567
	(4,346)	(4,546)
Loss on disposal of discontinued operations	(1,052)	(616)
Attributable taxation credit	217	—
Loss from discontinued operations (attributable to owners of the Company)	(5,181)	(5,162)

A loss after taxation of £835,000 arose on the disposal of Astaire Securities Plc. During the year Astaire Securities Plc contributed an outflow of £382,000 to the Group's net operating cash flows and paid £2,800 in respect of investing activities.

In 2009 a loss of £619,000 arose on the disposal of Inteq Limited, being the proceeds of disposal less the carrying amount of the subsidiary's net assets.

During the year Dowgate Capital Stockbrokers Limited contributed an inflow of £472,000 to the Group's net operating cash flows, received £2,900 in respect of investing activities and paid £451,000 in respect of financing activities.

During the year Rowan Dartington & Co Limited contributed an outflow of £409,000 to the Group's net operating cash flows, paid £429,000 in respect of investing activities and received £865,000 in respect of financing activities.

During 2009 Inteq Limited contributed an outflow of £410,000 to the Group's net operating cash flows, paid £48,000 in respect of investing activities and paid £25,000 in respect of financing activities.

During 2009 Blue Oar Asset Management LLP contributed an outflow of £257,000 to the Group's net operating cash flows, £nil in respect of investing activities and paid £nil in respect of financing activities.

The major classes of assets and liabilities comprising the operations classified as held for sale are as follows:

	2010 £'000	2009 £'000
Property, plant and equipment	577	—
Trade and other receivables	5,885	—
Cash and bank balances	810	—
Total assets classified as held for sale	7,272	—
Trade and other payables	(5,373)	—
Total liabilities associated with assets classified as held for sale	(5,373)	—
Net assets of disposal group	1,899	—

The effect of discontinued operations on segment results is disclosed in note 4.

NOTES TO THE FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 31 DECEMBER 2010

13. DISPOSAL OF SUBSIDIARY

As referred to in note 12, on 22 October 2010 the Group disposed of its interest in Astaire Securities Plc.

The net assets of Astaire Securities Plc at the date of disposal and at 31 December 2009 were:

	22 October	31 December
	2010	2009
	£'000	£'000
Intangible fixed assets	803	532
Property, plant and equipment	75	197
Trade and other receivables	826	1,400
Available-for-sale investments	349	550
Bank balances and cash	1,864	2,249
Trade and other payables	(814)	(1,500)
	3,103	3,428
Loss on disposal	(1,052)	
Total consideration	2,051	
Satisfied by:		
Cash and cash equivalents	1,601	
Deferred consideration	450	
	2,051	
Net cash outflow arising on disposal:		
Consideration received in cash and cash equivalents	1,601	
Less: cash and cash equivalents disposed of	(1,864)	
	(263)	

The deferred consideration was settled in cash by the purchaser in two tranches on 10 February 2011 and 16 May 2011.

The impact of Astaire Securities Plc on the Group's results in the current and prior periods is disclosed in note 12.

NOTES TO THE FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 31 DECEMBER 2010

14. (LOSS)/EARNINGS PER SHARE

The calculation of the basic and diluted loss per ordinary share is based on the loss on ordinary activities after tax and on the weighted average number of ordinary shares in issue during the period. There were no dilutive instruments in existence during either period. Reconciliations of the losses and weighted average number of shares used in the calculations are set out in the table below:

	Loss £'000	2010 Weighted average number of shares	Loss per share pence	Earnings/ (loss) £'000	2009 Weighted average number of shares	Earnings/ (loss) per share pence
From continuing operations						
Basic loss per ordinary share	(4,491)	211,240,110	(2.13)	1,902	166,050,523	1.15
Diluted loss per ordinary share	(4,460)	241,200,919	(1.85)	1,902	166,050,523	1.15
From continuing and discontinued operations						
Basic loss per ordinary share	(8,837)	211,240,110	(4.18)	(2,644)	166,050,023	(1.59)
Diluted loss per ordinary share	(8,806)	241,200,919	(3.65)	(2,644)	166,050,023	(1.59)
From discontinued operations						
Basic loss per ordinary share	(4,346)	211,240,110	(2.06)	(4,546)	166,050,023	(2.74)
Diluted loss per ordinary share	(4,346)	241,200,919	(1.80)	(4,546)	166,050,023	(2.74)

15. GOODWILL

	£'000
Cost	
At 28 December 2008	—
Recognised on acquisition of Dowgate Capital Plc (see below)	945
Recognised on acquisition of Ruegg & Co Limited (see below)	156
Recognised on acquisition of St Helens Capital Partners LLP (see below)	299
At 1 January 2010	1,400
Released on disposal of Astaire Securities Plc	(1,101)
At 31 December 2010	299
Accumulated impairment losses	
At 1 January 2009 and 1 January 2010	—
Impairment losses for the year	1,400
Released on disposal of Astaire Securities Plc	(1,101)
At 31 December 2010	299
Carrying amount	
At 31 December 2010	—
At 31 December 2009	1,400

NOTES TO THE FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 31 DECEMBER 2010

15. GOODWILL continued

The carrying amount of goodwill has been allocated as follows, and in each case is the asset's value in use to the Group:

	2010 £'000	2009 £'000
Astaire Securities Plc	—	392
Dowgate Capital Stockbrokers Limited	—	709
St Helens Capital Partners LLP	—	299
At 31 December	—	1,400

In respect of St Helens Capital Partners LLP, the Group tests goodwill annually for impairment or more frequently if there are indications that goodwill might be impaired. The value of goodwill is reviewed using discounted cash flow models based on the three year plan and 5 per cent. growth in the fourth and fifth years, and the Group's weighted average cost of capital of 15 per cent. The growth rates used and the cost of capital estimated to apply are considered reasonable based on the prevailing market conditions in the financial services sector and in the wider economy. In the event that market conditions deteriorate further it would be necessary to reconsider the basis used and the market value applicable to goodwill.

At 31 December 2010, before impairment testing, goodwill of £299,000 (2009: £299,000) was allocated to St Helens Capital Partners LLP. Upon review it was concluded that an impairment provision of £299,000 was considered necessary in 2010.

At 31 December 2010 the Directors reviewed the carrying value of goodwill in respect of the Astaire Group and subsidiaries and, in the light of the actual and anticipated contractual commitments to dispose of all operating businesses, goodwill was impaired accordingly.

At 31 December 2009, before impairment testing, goodwill of £392,000 was allocated to Astaire Securities Plc.

At 31 December 2009, before impairment testing, goodwill of £709,000 was allocated to Dowgate Capital Stockbrokers Limited. The goodwill of £709,000 was fully impaired at 31 December 2010.

NOTES TO THE FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 31 DECEMBER 2010

16. OTHER INTANGIBLE ASSETS

	Brand names £'000	Customer lists £'000	Total £'000
Cost			
At 28 December 2008	—	—	—
On acquisition of Astaire Group Plc	546	3,671	4,217
On acquisition of Dowgate Capital Plc	—	1,323	1,323
On acquisition of Ruegg & Co Limited	—	179	179
On acquisition of St Helens Capital Partners LLP	—	355	355
At 31 December 2009	546	5,528	6,074
On disposal of subsidiary	(56)	(1,481)	(1,537)
At 31 December 2010	490	4,047	4,537
Amortisation and impairment losses			
At 28 December 2008	—	—	—
Charge for the year	382	1,725	2,107
At 31 December 2009	382	1,725	2,107
Charge for the year	79	545	624
Disposal of subsidiary	(34)	(727)	(761)
Impairment losses for the year	63	2,344	2,407
At 31 December 2010	490	3,887	4,377
Carrying amount			
At 31 December 2010	—	160	160
At 31 December 2009	164	3,803	3,967

The brand names Rowan Dartington and Astaire were amortised over their useful economic lives of three years. The values of the brand names Rowan Dartington and Astaire were reviewed at least annually by the Board of Directors with reference to historic and expected future trading performance. The value of the Rowan Dartington brand name has been impaired through recognition of an impairment loss of £63,000 (2009: £300,000).

The amortisation period for customer lists under the Group's accounting policy is eight years, based on analysis of the historic customer data including churn rate. Impairment losses charged in 2010 in respect of customer lists totalled £1,474,000 (2009: £1,249,000), of which £1,036,000 related to Rowan Dartington, £147,000 to Dowgate Capital, £37,000 to Astaire Securities, and £29,000 to Ruegg & Co.

The carrying value of all other intangible assets is the asset's value in use to the Group. The impairment losses booked in arriving at value in use were derived using discounted cash flow models and the Group's weighted average cost of capital of 15 per cent. (2009: 15 per cent.).

NOTES TO THE FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 31 DECEMBER 2010

17. PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements £'000	Furniture and fittings £'000	Office equipment £'000	Motor vehicles £'000	Total £'000
Cost					
At 29 December 2008	—	—	10	—	10
Additions	—	97	104	—	201
Acquisition of subsidiaries	430	171	429	78	1,108
Exchange differences	2	—	4	3	9
Disposal of subsidiary	(56)	—	(85)	(81)	(222)
Disposals	—	(4)	(18)	—	(22)
At 31 December 2009	376	264	444	—	1,084
Additions	322	96	19	—	437
Disposal of subsidiary	—	(24)	(144)	—	(168)
Disposals	(261)	(126)	(93)	—	(480)
Transferred to assets held for sale	(322)	(210)	(205)	—	(737)
At 31 December 2010	115	—	21	—	136
Accumulated depreciation					
At 29 December 2008	—	—	3	—	3
Charge for the year	331	94	150	6	581
Exchange differences	1	—	2	1	4
Disposal of subsidiary	—	—	—	(7)	(7)
Eliminated on disposals	—	—	—	—	—
At 31 December 2009	332	94	155	—	581
Charge for the year	81	59	129	—	269
Disposal of subsidiary	—	(20)	(72)	—	(92)
Eliminated on disposals	(261)	(116)	(92)	—	(469)
Transferred to assets held for sale	(37)	(17)	(106)	—	(160)
At 31 December 2010	115	—	14	—	129
Carrying value					
At 31 December 2010	—	—	7	—	7
At 31 December 2009	44	170	289	—	503

At 31 December 2010 and 31 December 2009, the Group had no contractual commitments for the acquisition of property, plant and equipment.

18. SUBSIDIARIES

A list of the significant investments in subsidiaries, including the name, country of incorporation and proportion of ownership interest, is given in note 5 to the Company's separate financial statements.

NOTES TO THE FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 31 DECEMBER 2010

19. OTHER FINANCIAL ASSETS**Trade and other receivables**

	2010 £'000	2009 £'000
Trade receivables	81	967
Counterparty debtors	—	3,479
Allowance for doubtful debts	(42)	(253)
	39	4,193
Other debtors	1,650	2,513
Prepayments and accrued income	127	1,590
	1,816	8,296

The average credit period taken on sales of services is 30 days (2009: 30). The Group reviews receivables on an individual customer basis and makes provision accordingly.

Trade receivables

Included in the Group's trade receivables balance are debtors with a carrying amount of £39,000 (2009: £289,000) which are past due at the reporting date for which the Group has not provided as there has not been a significant change in credit quality and the amounts are still considered recoverable. The average age of these receivables is 140 days (2009: 70 days).

Ageing of past due but not impaired trade receivables:

	2010 £'000	2009 £'000
30 to 60 days	—	91
61 to 90 days	—	172
91 to 120 days	—	9
Over 120 days	39	17
Total	39	289

Counterparty receivables

Included in the Group's counterparty debtors are debtors with a carrying amount of £nil (2009: £74,000) which are past due at the reporting date for which the Group has not provided as there has not been a significant change in credit quality and the amounts are still considered recoverable.

Ageing of past due but not impaired counterparty debtors:

	2010 £'000	2009 £'000
0 to 30 days	—	4
31 to 60 days	—	70
	—	74

NOTES TO THE FINANCIAL STATEMENTS continued
FOR THE YEAR ENDED 31 DECEMBER 2010

19. OTHER FINANCIAL ASSETS continued

Movement in the allowance for doubtful debts

	2010 £'000	2009 £'000
Balance at the beginning of the period	253	—
Balance on (disposal)/acquisition of subsidiaries	(108)	651
Impairment losses recognised	176	231
Amounts written off as uncollectable	(175)	(422)
Transferred to assets held for sale	(24)	—
Amounts recovered during the year	80	(207)
Balance at 31 December	42	253

In determining the recoverability of a trade receivable the Group considers any change in the credit quality of the trade receivable from the date credit was originally granted up to the reporting date. The Directors believe that there is no further credit provision required in excess of the allowance for doubtful debts.

Ageing of impaired trade receivables

	2010 £'000	2009 £'000
30 to 60 days	—	41
61 to 90 days	—	32
91 to 120 days	—	8
Over 120 days	29	172
Total	29	253

The Directors consider that the carrying amount of trade and other receivables approximates to their fair value.

Cash and cash equivalents

	2010 £'000	2009 £'000
Cash and cash equivalents	4,463	7,895

Cash and cash equivalents comprise cash held by the Group and short-term bank deposits. The carrying amount of these assets approximates to their fair value. Cash held by subsidiary companies classified with assets held for sale amounted to £810,355 at 31 December 2010. Excluded from cash and cash equivalents and financial liabilities is money held on behalf of clients which amounted to £45,914,698 at 31 December 2010 (2009: £52,443,314).

20. INVESTMENTS

	2010 £'000	2009 £'000
Available-for-sale investments carried at fair value – shares	2,346	2,963

The shares included above represent investments in equity securities that present the Group with the opportunity for return through dividend income and capital gains. These shares are not held for trading and are accordingly classified as available-for-sale. The fair values of equity securities are based on quoted market prices.

NOTES TO THE FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 31 DECEMBER 2010

21. OTHER FINANCIAL LIABILITIES

	2010 £'000	2009 £'000
Trade creditors and accruals	2,478	5,347
Counterparty creditors	—	3,291
	2,478	8,638

Other financial liabilities principally comprise counterparty creditors and amounts outstanding for trade purchases and ongoing costs. The average credit period taken for trade purchases is 30 days. The Group does not incur interest charges on late payment of creditors, and has financial risk management policies in place to ensure that all payables are paid within the credit timeframe. The Directors consider that the carrying amount of its other financial liabilities approximates to their fair value.

22. PROVISIONS

	2010 £'000	2009 £'000
FSA enforcement fine		
At 1 January	511	—
Additional provision in the year	—	511
Utilisation of provision	(511)	—
At 31 December	—	511

23. DEFERRED TAX LIABILITIES

	Capital allowances £'000	Intangible assets recognised on acquisition of subsidiaries £'000	Fair value through profit and loss £'000	Other £'000	Liabilities in respect of AFS investments £'000	Deferred tax liability £'000
At 29 December 2008	—	—	—	—	133	133
Acquisition of subsidiary	(2)	1,430	41	(7)	(17)	1,445
Charge/(credit) to income	2	(530)	126	7	—	(395)
Credit to other comprehensive income	—	—	—	—	(101)	(101)
At 31 December 2009	—	900	167	—	15	1,082
Charge to equity reserve	—	—	—	89	—	89
Credit to income	—	(879)	575	(6)	—	(310)
Charge to other comprehensive income	—	—	—	—	171	171
At 31 December 2010	—	21	742	83	186	1,032

At the balance sheet date, the Group has unused tax losses of £1,735,000 (year ended 31 December 2009: £4,574,000) and unused capital losses of £2,939,000 (year ended 31 December 2009: £3,809,000) in respect of which the Group has not recognised deferred tax assets as there is insufficient certainty that the losses will be utilised.

At the balance sheet date, the aggregate amount of temporary differences associated with undistributed earnings of subsidiaries for which deferred tax liabilities have not been recognised was £nil (2009: £nil).

NOTES TO THE FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 31 DECEMBER 2010

24. CONVERTIBLE LOAN NOTES

The convertible loan notes were issued on 8 September 2010 at an issue price of £1 per note. The notes are convertible into ordinary shares of the Company at any time between the date of issue of the notes and their settlement date. On issue, the loan notes were convertible at 200 ordinary shares per £1 loan note.

If the notes have not been converted, they will be redeemed on 30 June 2020 at par. Interest of 5 per cent. per annum will be paid semi-annually up until that settlement date.

The net proceeds received from the issue of the convertible loan notes have been split between the financial liability element and an equity component, representing the fair value of the embedded option to convert the financial liability into equity of the Company, as follows:

	£'000
Proceeds of issue of convertible loan notes	480
Equity component	(330)
Liability component at date of issue	150
Interest charged	30
Interest paid	(8)
Liability component at 31 December 2010	172

The equity component of £330,000 has been credited to the equity reserve (see note 28).

The interest expensed for the year is calculated by applying an effective interest rate of 5 per cent. to the liability component for the four month period since the loan notes were issued. The liability component is measured at amortised cost. The difference between the carrying amount of the liability component at the date of issue and the amount reported in the balance sheet at 31 December 2010 represents the effective interest rate less interest paid to that date.

25. SHARE CAPITAL**Authorised**

	2010 No.	2009 No.
Ordinary shares of 1p	—	360,000,000
Ordinary shares of 0.1p	1,993,623,885	—
Deferred shares of 0.1p	1,606,376,115	—
	3,600,000,000	360,000,000

Issued

	Deferred Shares of 0.1p each Number	Ordinary Shares of 0.1p each Number	Ordinary Shares of 0.1p each Number	Total £'000
At 28 December 2008	—	—	46,250,002	463
Shares issued in 2009	—	—	132,236,233	1,322
At 31 December 2009	—	—	178,486,235	1,785
Share reorganisation	1,606,376,115	178,486,235	(178,486,235)	—
Shares issued in 2010	—	104,869,864	—	105
	1,606,376,115	283,356,099	—	1,890

On 29 December 2008, 86,160,884 new ordinary shares of 1 pence each were issued at a fair value of 8.00 pence per share in respect of the acquisition of Astaire Group Plc.

NOTES TO THE FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 31 DECEMBER 2010

25. SHARE CAPITAL continued

On 6 January 2009, 6,335,738 new ordinary shares of 1 pence each were issued at a fair value of 7.35 pence per share in respect of the acquisition of Astaire Group Plc.

On 13 January 2009, 18,949,748 new ordinary shares of 1 pence each were issued at a fair value of 5.15 pence per share in respect of the acquisition of Astaire Group Plc.

On 29 January 2009, 160,272 new ordinary shares of 1 pence each were issued at a fair value of 4.21 pence per share in respect of the acquisition of Astaire Group Plc.

On 13 February 2009, 166,016 new ordinary shares of 1 pence each were issued at a fair value of 3.75 pence per share in respect of the acquisition of Astaire Group Plc.

On 1 May 2009, 10,075,950 new ordinary shares of 1 pence each were issued in consideration for 1,119,550 ordinary shares of WH Ireland Group Plc.

On 13 July 2009, 941,461 new ordinary shares of 1 pence each were issued at a fair value of 5.00 pence per share in respect of the acquisition of Astaire Group Plc.

On 11 November 2009, 9,446,164 new ordinary shares of 1 pence each were issued in consideration for a 19.90 per cent. holding of 23,615,411 ordinary shares of Bluehone Holdings Plc.

On 8 September 2010, 104,869,864 new ordinary shares of 0.1 pence each were issued at a fair value of 0.5 pence per share received in cash pursuant to an open offer.

Rights of Deferred Shares

On 8 September 2010 the Company completed share capital reorganisation resulting in each issued ordinary share of 1p each being sub divided into 1 new ordinary share of 0.1 pence and 9 deferred shares of 0.1 pence.

The deferred shares have no rights to dividends, receive or vote at meetings and only receive the amount paid up on a return of capital after the ordinary shareholders have received £1,000,000 per share.

Rights of Ordinary Shares

The holders of Ordinary Shares are entitled to receive notice of and to attend and vote at any General Meeting of the Company. Every member present at such a meeting shall, upon a show of hands, have one vote. Upon a poll, holders of all shares shall have one vote for every share held.

26. SHARE PREMIUM ACCOUNT

	£'000
At 29 December 2008	3,478
Issue of ordinary share capital	7,979
At 31 December 2009	11,457
Issue of ordinary share capital	419
Share issue expenses	(87)
At 31 December 2010	11,789

NOTES TO THE FINANCIAL STATEMENTS continued
FOR THE YEAR ENDED 31 DECEMBER 2010

27. FAIR VALUE AND OTHER RESERVES

	2010 £'000	2009 £'000
At 1 January 2010 / 29 December 2008	728	341
Revaluation of available-for-sale investments net of tax	36	411
Realised on disposal of available-for-sale investments	(63)	(5)
Transfer on disposal of foreign subsidiary	—	(3)
Foreign exchange movements on translation of subsidiary	—	3
Share of other comprehensive income attributable to non-controlling interests	20	(19)
At 31 December 2010 / 31 December 2009	721	728

Fair value and other reserves include entries in respect of the revaluation of available-for-sale investments, and foreign exchange movements relating to the Group's Australian subsidiary Inteq Limited.

28. EQUITY RESERVE

	Equity reserve £
Balance at 1 January 2009 and 31 December 2009	—
Recognition of equity component loan notes (see note 24)	330
Deferred tax liability arising on recognition of equity component of convertible loan notes	(89)
Transfer from retained earnings	6
Balance at 31 December 2010	247

This reserve represents the equity component of convertible debt instruments (see note 24).

29. RETAINED DEFICIT

	2010 £'000	2009 £'000
At 1 January 2010 / 29 December 2008	(255)	(116)
Credit/(debit) to equity for equity-settled share-based payments	92	(454)
Transfer to equity reserve	(6)	—
(Loss)/profit for the period attributable to equity shareholders of the parent	(5,279)	315
At 31 December 2010 / 31 December 2009	(5,448)	(255)

30. NON-CONTROLLING INTERESTS

	2010 £'000	2009 £'000
At 1 January 2010 / 29 December 2008	5,871	—
Issue of share capital	—	8,811
Loss for the financial period	(3,558)	(2,959)
Share of other comprehensive income attributable to non-controlling interests	(20)	19
At 31 December 2010 / 31 December 2009	2,293	5,871

The loss allocated to non-controlling interests results from the minority 46.4 per cent. (2009: 46.4 per cent.) interest in the £7.7 million loss (2009: £7.3 million loss) of Astaire Group Plc.

NOTES TO THE FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 31 DECEMBER 2010

31. NOTES TO THE CASH FLOW STATEMENT

	2010 £'000	2009 £'000
Loss for the year after taxation	(8,837)	(2,644)
Adjustments for:		
Investment revenues	(66)	(217)
Other gains and losses	(394)	(3,792)
Finance costs	32	6
Taxation credit	(126)	(452)
Loss on disposal of discontinued operations	1,052	616
Depreciation of property, plant and equipment	269	581
Amortisation of intangible assets	624	558
Impairment of goodwill and other intangible assets	3,775	1,549
Negative goodwill	—	(2,572)
Share-based payments credit/(debit)	92	(454)
Losses on disposals of property, plant and equipment	11	22
Increase in investment provisions	441	590
Operating cash flows before movements in working capital	(3,127)	(6,209)
Cash transferred to assets held for sale	(810)	—
Decrease in receivables	1,716	152
(Decrease)/increase in payables	(1,423)	570
Cash used by operations	(3,644)	(5,487)
Income taxes recovered	—	448
Interest paid	(9)	(6)
Net cash used in operating activities	(3,653)	(5,045)

32. OPERATING LEASE ARRANGEMENTS

	2010 £'000	2009 £'000
Minimum lease payments under operating leases recognised as an expense in the year	102	504

At the balance sheet date, the Group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2010 £'000	2009 £'000
Within one year	—	336
In the second to fifth years inclusive	204	402
After five years	—	300
	204	1,038

NOTES TO THE FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 31 DECEMBER 2010

33. SHARE-BASED PAYMENTS

Astaire Group Plc operates three equity-settled share-based remuneration schemes for employees. All employees were eligible to participate in the Astaire Group Plc Share Option Plan 2002, which was a long-term incentive scheme, the only vesting condition being that the individual remains an employee of the Group over the vesting period. The Astaire Group Plc Share Incentive Plan 2006 was designed to incentivise specific employees at the discretion of the Remuneration Committee. The share options vest over three, four and five year periods from issue date only if specific market conditions in relation to share price growth were met, and providing that the individual remained an employee of the Group. The Astaire Group Plc Share Option Plan 2009 is similar to the 2002 Plan, but contains good leaver provisions which can be varied at the discretion of the Remuneration Committee. In accordance with the transitional provisions of IFRS 2, share options granted prior to 7 November 2002 have not been fair valued.

	2010 Weighted average exercise price (pence)	2010 Number	2009 Weighted average exercise price (pence)	2009 Number
Outstanding at the beginning of the year	12.54	33,155,565	23.25	42,558,321
Granted during the year	—	—	5.00	21,575,000
Forfeited during the year	15.74	(18,900,000)	24.17	(29,594,186)
Exercised during the year	—	—	0.10	(1,383,570)
Outstanding at the end of the year	8.29	14,255,565	12.54	33,155,565

The exercise price of options outstanding at the end of the year ranged between 5.00 and 30.00 pence per share. Of the total number of options outstanding at 31 December 2010, all had vested and were exercisable (2009: nil). The weighted average share price (at the date of exercise) of options exercised during the year 2009 was 0.1 pence. The weighted average fair value of each option granted during 2009 was 1.25 pence.

The following information is relevant to the determination of the fair value of options granted during the year under the equity-settled share-based remuneration schemes operated by the Group:

Equity-settled

	2010	2009
Option pricing model used	No options granted	Binomial
Weighted average share price at grant date (pence)	—	5.00
Exercise price (pence)	—	5.00
Weighted average contractual life (years)	—	10.00
Expected volatility (percentage)	—	80
Expected dividend growth rate (percentage)	—	—
Risk free interest rate (percentage)	—	2.85 – 2.91

The volatility assumption, measured at the standard deviation of expected share price returns, is based on a statistical analysis of daily share prices of Astaire Group Plc over the last three years.

	2010 £'000	2009 £'000
The share-based payment credit comprises:		
Equity-settled schemes	92	(495)

The Group did not enter into any share-based payment transactions with parties other than employees during the current or previous period.

NOTES TO THE FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 31 DECEMBER 2010

33. SHARE-BASED PAYMENTS continued

Astaire Group Plc acquired Dowgate Capital Plc on 20 July 2009. Dowgate Capital Plc operated three equity-settled share-based remuneration schemes for its employees, and these share option schemes are still in existence, although it should be noted that Dowgate Capital Plc is no longer a publicly traded company and has been re-named Dowgate Capital Limited.

	2010 Weighted average exercise price (pence)	2010 Number	2009 Weighted average exercise price (pence)	2009 Number
Outstanding at the beginning of the year	19.87	6,493,496	19.04	8,369,141
Granted during the year	—	—	—	—
Forfeited during the year	19.87	(6,493,496)	16.17	(1,875,645)
Exercised during the year	—	—	—	—
Outstanding at the end of the year	—	—	19.87	6,493,496

The exercise price of options outstanding at the end of 2009 ranged between 7.80 and 22.20 pence per share. Of the total number of options outstanding at 31 December 2009, none had vested and were exercisable. No share options were exercised or granted in either the year ended 31 December 2010 or the year ended 31 December 2009.

Dowgate Capital Plc is no longer a publicly traded company and is 100 per cent. owned by Astaire Group Plc. At the point of acquisition by Astaire Group Plc, all Dowgate Capital Plc share options in issue were trading at a price below the value of the offer. There is no likelihood that these options will become exercisable in the foreseeable future.

The share-based payment charges in respect of options in Dowgate Capital Plc included in the consolidated income statement of Astaire Group Plc were:

	2010 £'000	2009 £'000
The share-based payment expense comprises:		
Equity-settled schemes	—	41

The Dowgate Group did not enter into any share-based payment transactions with parties other than employees during the current or previous period.

34. FINANCIAL INSTRUMENTS**Capital risk management**

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximising the return to stakeholders. The Group's capital structure consists of cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings. The Group has no debt.

Externally imposed capital requirement

The Group is subject to the minimum capital requirements imposed by the Financial Services Authority (FSA), and has complied with those requirements throughout both financial periods. Capital adequacy and capital resources are monitored by the Group on the basis of the Capital Requirements Directive. The Group has a strong balance sheet, and has maintained Regulatory Capital at a level in excess of its Capital Requirement. Pillar 3 disclosures required for regulated entities are disclosed in the relevant statutory entity accounts.

Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis for measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument, are disclosed in the accounting policies in note 1.

NOTES TO THE FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 31 DECEMBER 2010

34. FINANCIAL INSTRUMENTS continued**Categories of financial instruments**

	2010 £'000	2009 £'000
Financial assets		
Trade and other receivables	1,816	8,296
Available-for-sale financial assets	2,346	2,963
Fair value through profit and loss	4,484	4,813
Loans and receivables (including cash and cash equivalents)	4,463	7,895
Financial liabilities		
Trade and other payables	2,220	8,638
Provisions	—	511

The carrying value of each class of financial asset denoted above approximates to its fair value. The Group's Corporate Treasury function provides services to the business, co-ordinates access to financial markets, monitors and manages the financial risks relating to the operations of the Group. The Group is exposed to market risk, currency risk, interest rate risk, other price risk, credit risk and liquidity risk.

The Board monitors risks and implements policies to mitigate risk exposures. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The following table provides an analysis of financial instruments at 31 December 2010, that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly as prices or indirectly derived from prices; and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data.

	Level 1 £'000	Level 2 £'000	Level 3 £'000	2010 Total £'000
Available-for-sale financial assets	—	—	2,346	2,346
Fair value through profit and loss	—	929	3,555	4,484
	Level 1 £'000	Level 2 £'000	Level 3 £'000	2009 Total £'000
Available-for-sale financial assets	610	—	2,353	2,963
Fair value through profit and loss	592	1,192	3,029	4,813

Level 3 investments represent less liquid investments valued based on quoted prices with a discount factor applied.

Market risk

The Group's activities expose it primarily to interest rate risk. The Group has also had some exposure to the financial risks of changes in foreign currency, although this has significantly reduced following the sale of its Australian subsidiary on 3 June 2009. The Group does not enter into derivative financial instruments to manage its exposure to foreign currency as the risk is relatively minor within the context of the Group's operations. The Group maximises interest receivable solely by the use of short to medium-term guaranteed fixed deposits that are subject to an insignificant risk of changes in value. There has been no change to the Group's exposure to market risks or the manner in which it manages and measures the risk.

NOTES TO THE FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 31 DECEMBER 2010

34. FINANCIAL INSTRUMENTS continued**Foreign currency risk management**

The Group undertakes certain transactions denominated in foreign currencies, and hence exposures to exchange rate fluctuations arise. The Group's exposure to foreign currency risk was largely limited to the operations of its Australian subsidiary which was disposed of during the year. The current policy of the Group is that the level of risk does not necessitate the need to utilise forward foreign exchange rate contracts.

Foreign currency sensitivity analysis

The Group's sensitivity to foreign currency is in respect of its Australian subsidiary, and this has ceased since that subsidiary's disposal on 3 June 2009. No sensitivity analysis is presented here as the exposure to foreign currency risk at both 31 December 2010 and 31 December 2009 was immaterial.

Interest rate risk management

The Group has no borrowings and is therefore not exposed to interest rate risk in that respect. The Group's exposure to interest rates on financial assets is detailed in the liquidity risk management section of this note.

Other price risk

The Group is exposed to equity price risks arising from equity investments. Equity investments are designated as available-for-sale and are held for strategic rather than trading purposes. The Group does not actively trade these investments. Options and warrants held as fair value through profit and loss are also exposed to equity price risk.

Equity price sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to equity price risks at the reporting date.

If equity prices had been 5 per cent. higher, net profit for the year ended 31 December 2010 would have been £341,000 higher (2009: £240,000 higher). If equity prices had been 5 per cent. lower, net profit for the year ended 31 December 2010 would have been £341,000 lower (2009: £240,000 lower).

The fair values of all equity securities are based on quoted market prices and hence the value of available-for-sale investments is directly proportional to equity prices. If equity prices had been 5 per cent. higher/lower the fair value reserve would increase/decrease by £117,000 (2009: increase/decrease by £151,000). The Group's sensitivity to equity prices has changed due to the increased level of investment activity in 2010.

Credit risk management

Credit risk refers to the risk that a third party will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy third parties as a means of mitigating the risk of financial loss from defaults.

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

The Group does not have any significant credit risk exposure to any single third party or any group of third parties having similar characteristics. The credit risk on liquid funds is limited because the third parties are banks with high credit-ratings assigned by international credit-rating agencies.

Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves and by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Liquidity and interest rate tables

The following table details the Group's expected maturity for its non-derivative financial assets. The tables below have been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets, except where the Group anticipates that the cash flow will occur in a different period.

NOTES TO THE FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 31 DECEMBER 2010

34. FINANCIAL INSTRUMENTS continued

	Weighted average effective interest rate percentage	Less than one month £'000	One to three months £'000	Total £'000
2010				
Non-interest bearing	—	71	—	71
Variable interest rate instruments	0.20	3,392	—	3,392
Fixed interest rate instrument	0.50	1,000		1,000
		4,463	—	4,463
2009				
Non-interest bearing	—	2,155	—	2,155
Variable interest rate instruments	0.50	4,740	—	4,740
Fixed interest rate instrument	0.51	—	1,000	1,000
		6,895	1,000	7,895

The Group expects to meet all its obligations from operating cash flows and proceeds of maturing financial assets.

35. RELATED PARTY TRANSACTIONS

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note. There were no transactions in either year between the Group and its associates.

Remuneration of key management personnel

The remuneration of the Board of Directors is disclosed in the Directors' remuneration report on pages 10 and 11 of this annual report.

Directors' transactions

In July 2010 Evolve sold 275,000 shares in Aconite to Elderstreet Investments for £250,000 in cash, which generated a profit of £77,000 over the written down value of the shares. One of Evolve's Directors, Michael Jackson, is also a director of and a shareholder in Elderstreet and as a consequence this transaction was classified as a related party transaction.

There were no transactions with Directors of the Group during 2009.

36. ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

At 31 December 2010, ultimate control of the Group does not lie with any identifiable individual. Copies of the Group financial statements of Evolve Capital Plc are available from 223a Kensington High Street, London W8 6SG.

37. POST BALANCE SHEET EVENTS

On 14 February 2011 the Group completed the disposal of its subsidiary, Dowgate Capital Stockbrokers Limited to 3B Capital Limited for a total potential consideration of £900,000 in cash: £675,000 in cash was received at completion, with the balance £225,000 due no later than 30 June 2012, subject to any claims against warranties and indemnities.

On 8 March 2011 Astaire Group Plc completed the disposal of its subsidiary Rowan Dartington & Co Limited to Rowan Dartington Holdings Limited. Consideration for the sale of the entire issued share capital was £1 million in loan notes issued by Rowan Dartington Holdings Limited, plus shares in Rowan Dartington Holdings Limited representing 30 per cent. of its equity share capital. Astaire Group Plc has given certain warranties and indemnities effective for between three and five years to Rowan Dartington Holdings, the limitation on these is the consideration received.

NOTES TO THE FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 31 DECEMBER 2010

37. POST BALANCE SHEET EVENTS continued

On 24 June 2011 agreement was reached whereby Izodia agreed to drop all claims against Corporate Synergy Holdings Limited. Under the terms of the settlement, under which no party admitted any liability and the details of which are subject to a confidentiality clause, CSH paid a £500,000 contribution to Izodia's legal costs. CSH had funded the litigation to in excess of £800,000 for defence counsel's fees. CSH expects to recover a substantial proportion of these fees from insurers (but not the £500,000 contribution to Izodia's legal costs). The Board believes that this was the best available result in the circumstances, in the context of the alternative being an expensive and very protracted continuation of litigation, the outcome of which is necessarily subject to a degree of uncertainty notwithstanding the Board's belief in the strength of the defence. The full £500,000 has been expensed in operating expenses and accrued for as at 31 December 2010 and is included in trade and other payables.

PARENT COMPANY FINANCIAL STATEMENTS

EVOLVE CAPITAL PLC

PARENT COMPANY FINANCIAL STATEMENTS PREPARED UNDER UK GAAP

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

DIRECTORS' REPORT

The Directors present their report together with the audited financial statements for the year ended 31 December 2010. The Parent Company acts as a holding company and the Report of the Directors' for the Group can be found on pages 6 to 8 of this Annual Report.

Parent Company accounts

In accordance with Section 395(1) of the Companies Act 2006, the Board has elected to continue to comply with UK GAAP in accordance with Section 408 for the Company's individual financial statements. Hence, all UK subsidiaries within the Group will continue to apply UK GAAP in their financial statements up to and as of 31 December 2010 as per Section 407.

This financial information has been specifically prepared for the Company only and consists of the Company's Balance Sheet and related notes as at 31 December 2010 under UK GAAP. As permitted by Section 408 of the Companies Act 2006, the Parent Company's profit and loss account has not been included in these financial statements.

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 judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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.

Going concern

The going concern review is included in the Report of the Directors in the Group financial statements.

Auditor

In the case of each of the persons who are Directors of the Company at the date when this report is approved:

- so far as each of the Directors is aware, there is no relevant audit information (as defined in the Companies Act 2006) of which the Company's auditor is unaware; and
- each of the Directors has taken all the steps that they ought to have taken as a Director to make themselves aware of any relevant audit information (as defined in the Companies Act 2006) and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

Deloitte LLP have expressed their willingness to continue in office, having been appointed during the year. A resolution to re-appoint Deloitte LLP as auditor will be proposed at the General Meeting.

On behalf of the Board

David Snow
Director

28 June 2011

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF EVOLVE CAPITAL PLC

We have audited the financial statements of Evolve Capital Plc for the year ended 31 December 2010 which comprise the Parent Company Balance Sheet and the related notes 1 to 12. 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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and auditor

As explained more fully in the Directors' Responsibilities Statement, the Directors are responsible for the preparation of the Parent Company financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the Parent Company 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.

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 Parent 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. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the Group financial statements:

- give a true and fair view of the state of the Parent Company's affairs as at 31 December 2010 and of its loss 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 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 Parent Company 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 by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company 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.

Other matters

We have reported separately on the Group financial statements of Evolve Capital Plc for the year ended 31 December 2010.

Simon Cleveland (Senior Statutory Auditor)

For and on behalf of Deloitte LLP

Chartered Accountants and Statutory Auditors

London, United Kingdom

28 June 2011

COMPANY BALANCE SHEET

AS AT 31 DECEMBER 2010

	Note	2010 £'000	2009 £'000
Fixed assets			
Tangible fixed assets	4	7	9
Investments in subsidiary undertakings	5	862	3,476
Fixed asset investments	6	2,206	1,969
		3,075	5,454
Current assets			
Debtors	7	356	369
Cash at bank and in hand		326	—
		682	369
Creditors: Amounts falling due within one year	8	(63)	(75)
Net current assets		619	294
Creditors: Amounts falling due after one year			
Convertible loan stock	9	(172)	—
Deferred tax liabilities		(83)	—
Net assets		3,439	5,748
Capital and reserves			
Called up share capital	10	1,890	1,785
Share premium account	10	11,789	11,457
Equity reserve	10	247	—
Profit and loss account	10	(10,487)	(7,494)
Shareholders' funds		3,439	5,748

The financial statements for Evolve Capital Plc, registered number 6383902, were approved by the Board of Directors and authorised for issue on 28 June 2011.

David Snow

Director

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2010

1. ACCOUNTING POLICIES

The following accounting policies have been applied in dealing with items which are considered material in relation to the financial statements, and have all been applied consistently throughout the year and the preceding period.

a) Basis of accounting

The financial statements are drawn up under the historical cost convention, the Companies Act 2006, as amended, and in accordance with applicable UK accounting standards.

b) Going concern

Details of the Company and Group's accounting policy in respect of going concern can be found in note 1(b) to the Group financial statements.

c) Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

d) Share-based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to the profit and loss account over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether the market vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

When the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the profit and loss account over the remaining vesting period. Where equity instruments are granted to persons other than employees, the profit and loss account is charged with the fair value of the goods and services received.

e) Investments

Fixed asset investments are stated at cost or market value, if lower, where it is considered there has been a permanent diminution in value. Current asset investments, which comprise the Company's liquid resources, are stated at the lower of cost and net realisable value. In the case of quoted investments net realisable value is based on market price.

f) Deferred taxation

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise, based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different to those in which they are included in the financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets are not discounted.

g) Foreign exchange

All foreign exchange denominated transactions and balances are translated at the rate of exchange ruling at that date. Foreign currency monetary assets are translated at the rate of exchange ruling at the balance sheet date. Any differences are taken to the profit and loss account.

h) Financial instruments

Financial instruments are measured initially and subsequently at cost, except in the case of current asset investments which are valued at the lower of cost and net realisable value.

i) Pensions

Contributions to the personal pension schemes of certain employees are charged to the profit and loss account in the year in which they become payable.

j) Leases

Operating lease rentals are charged to the profit and loss account on a straight line basis over the term of the lease. Reverse premiums and similar incentives received to enter into operating lease agreements are released to the profit and loss account over the period to the date on which the rent is first expected to be adjusted to the prevailing market rate.

NOTES TO THE FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 31 DECEMBER 2010

2. LOSS OF THE PARENT COMPANY

As permitted by Section 408 of the Companies Act 2006, the Company has elected not to present its profit and loss account for the year. Evolve Capital Plc reported a loss for the financial year ended 31 December 2010 of £2,993,000 (Year ended 31 December 2009: loss of £7,378,000).

The auditors' remuneration for audit and other services is disclosed in note 7 to the consolidated financial statements.

3. STAFF COSTS AND EMPLOYEES

	2010 £'000	2009 £'000
Wages and salaries	75	166
Social security costs	6	8
	81	174

The average monthly number of employees (including executive Directors) was:	No.	No.
Office and management	5	3

4. TANGIBLE FIXED ASSETS

	Office equipment £'000
Cost	
At 1 January 2010	14
Additions	2
At 31 December 2010	16
Depreciation	
At 1 January 2010	5
Charge for the year	3
At 31 December 2010	9
Net book value	
At 31 December 2010	7
At 31 December 2009	9

NOTES TO THE FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 31 DECEMBER 2010

5. INVESTMENTS IN SUBSIDIARY UNDERTAKINGS

	Shares in subsidiary undertakings £'000
Cost	
At 1 January 2010 and 31 December 2010	10,205
Impairments	
Impairments at 1 January 2010	6,729
Impairment charges	2,614
At 31 December 2010	9,343
Net book value	
At 31 December 2010	862
At 31 December 2009	3,476

The valuation of each subsidiary included in the table above is based on its value in use except for Astaire Group Plc and subsidiaries which are valued at fair value. Value in use is derived by the use of discounted cash flow models and the Company's weighted average cost of capital of 15 per cent.

Principal subsidiary undertakings are as follows:

	Principal activity	Class	Percentage owned	Incorporated In
St Helens Capital Partners LLP	Corporate finance adviser	Partnership	100.00	England & Wales
Astaire Group Plc	Holding company	Ordinary 0.1p	53.61	England & Wales
Corporate Synergy Holdings Limited	Holding company	Ordinary 1p		
		Deferred 1p	53.61	England & Wales
Rowan Dartington & Co Limited [∞]	Private client stockbroker and asset manager	Ordinary 50p	53.61	England & Wales
Astaire & Partners Limited	Dormant	Ordinary £1	53.61	England & Wales
Dowgate Capital Plc	Holding company	Ordinary 7.5p	53.61	England & Wales
Dowgate Capital Advisers Limited	Dormant	Ordinary £1	53.61	England & Wales
Dowgate Capital Stockbrokers Limited**	Private client stockbroker and asset manager	Ordinary £1	53.61	England & Wales
Ruegg & Co Limited	Dormant	Ordinary £1	53.61	England & Wales
Blue Oar Asset Management LLP	Dormant	Partnership	53.61	England & Wales

On 22 October 2010 Astaire Group completed the disposal of Astaire Securities Plc, its UK investment banking subsidiary.

** Following the year end, on 14 February 2011, Astaire Group completed the disposal of Dowgate Capital Stockbrokers Limited, one of its private client stockbroking subsidiaries.

[∞] On 8 March 2011 Astaire Group completed the disposal of Rowan Dartington & Co Limited, its other private client stockbroking subsidiary.

NOTES TO THE FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 31 DECEMBER 2010

6. FIXED ASSET INVESTMENTS

	2010 £'000	2009 £'000
At 1 January / 29 December	1,969	1,154
Additions	450	1,928
Provisions written-back/(charged)	75	(540)
Disposals	(288)	(573)
At 31 December	2,206	1,969
Market value of listed investments	6,329	5,504

7. DEBTORS

	2010 £'000	2009 £'000
Other debtors	349	364
Prepayments	7	5
	356	369

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2010 £'000	2009 £'000
Trade creditors	1	27
Amounts due to subsidiary undertaking	10	—
Other taxation and social security	4	8
Other creditors	—	4
Accruals and deferred income	48	36
	63	75

9. CONVERTIBLE LOAN NOTE

The convertible loan notes were issued on 8 September 2010 at an issue price of £1 per note. The notes are convertible into ordinary shares of the Company at any time between the date of issue of the notes and their settlement date. On issue, the loan notes were convertible at 200 ordinary shares per £1 loan note.

If the notes have not been converted, they will be redeemed on 30 June 2020 at par. Interest of 5 per cent. will be paid semi-annually up until that settlement date.

The net proceeds received from the issue of the convertible loan notes have been split between the financial liability element and an equity component, representing the fair value of the embedded option to convert the financial liability into equity of the Company, as follows:

	£'000
Proceeds of issue of convertible loan notes	480
Equity component	(330)
Liability component at date of issue	150
Interest charged	30
Interest paid	(8)
Liability component at 31 December 2010	172

The equity component of £330,000 has been credited to equity reserve (see note 10).

NOTES TO THE FINANCIAL STATEMENTS continued
FOR THE YEAR ENDED 31 DECEMBER 2010

9. CONVERTIBLE LOAN NOTE continued

The interest expensed for the year is calculated by applying an effective interest rate of 5 per cent. to the liability component for the four month period since the loan notes were issued. The liability component is measured at amortised cost. The difference between the carrying amount of the liability component at the date of issue and the amount reported in the balance sheet at 31 December 2010 represents the effective interest rate less interest paid to that date.

10. SHARE CAPITAL AND RESERVES

	Share capital £'000	Share premium £'000	Equity reserve £'000	Profit and loss account £'000
At 29 December 2008	463	3,478	—	(116)
Issue of ordinary share capital	1,322	7,979	—	—
Loss for the financial period	—	—	—	(7,378)
At 31 December 2009	1,785	11,457	—	(7,494)
Issue of ordinary share capital	105	419	—	—
Share issue expenses	—	(87)	—	—
Transfer from retained earnings	—	—	6	(6)
Deferred tax liability arising on recognition of equity component of convertible loan note	—	—	(89)	—
Recognition of equity component of loan note	—	—	330	—
Loss for the financial year	—	—	—	(2,987)
At 31 December 2010	1,890	11,789	247	(10,487)

Further details can be found in note 24 to the Group financial statements.

11. ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

At 31 December 2010, ultimate control of the Group does not lie with any identifiable individual. Copies of these Group financial statements of Evolve Capital Plc are available from 223a Kensington High Street, London W8 6SG.

12. POST BALANCE SHEET EVENTS

Details of post balance sheet events are disclosed in note 37 to the consolidated financial statements.

EVOLVE CAPITAL PLC
223a Kensington High Street
London W8 6SG
Telephone: +44 (0)20 7937 4445
Facsimile: +44 (0)20 7937 4446
www.evolvecapital.co.uk