

Registered number
06313858

Webb Capital Plc
Financial Statements for the year ended
31 December 2009

Webb Capital Plc
Report and accounts
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Webb Capital Plc

Company Information

Directors

Christopher Marsh
Kim Berknov
Peter Webb
David Weir

Non-Executive Chairman
Non-Executive - resigned 11/04/10
Chief Executive
Non-Executive - appointed 11/04/10

Secretary

Neil McClure ACA

Auditors

HMT Assurance LLP
5 Fairmile
Henley-on-Thames
Oxfordshire
RG9 2JR

Bankers

Lloyds TSB
Threadneedle Street
PO Box 1000
BX1 1LT

Solicitors

Nabarro LLP
Lacon House
84 Theobald's Road
London, WC1X 8RW

Registered office

Bow House
1A Bow Lane
London
EC4M 9EE

Registered number

06313858

Broker

Daniel Stewart & Company Plc
Becket House
36 Old Jewry
London EC2R 8DD

Registrars

Share Registrars Limited
Suite E, First Floor
9 Lion and Lamb Yard
Farnham
GU9 7LL

Webb Capital Plc

Registered number: 06313858

Chairman's Statement - Preliminary Results for Year Ended 31 December 2009

Introduction

I am pleased to present the results for the year ended 31 December 2009, a year which marks a significant change in the Company's activities and fortunes.

Review of Activities

The results show a much reduced loss for the financial year of £29,115 (2008: loss £647,739) and shareholders' funds at 31 December were £128,933 (2008: £21,725).

Following the appointment of Peter Webb as Chief Executive in May 2009 the decision was taken to dispose of our shareholding in our Swiss subsidiary Fund Advisors Admin AG which had recorded substantial losses in 2008.

An agreement was reached in June, the disposal was completed in September and all proceeds due under the agreement had been received by 31 December 2009. These accounts report a £205,576 profit arising from this transaction as Discontinued Operations change in fair value.

Post Balance Sheet Events

Since the beginning of the new financial year the Company has made significant progress in fulfilling its new strategy of building a group focussed on providing Ideas, Advice and Capital to entrepreneurs, managers and investors in SME companies to help small companies develop and grow stronger.

In February 2010 the Company completed the acquisition of KHI Partners which brought with it an FSA Authorised corporate advisory permission, and following this the Company undertook a series of share placings which raised a total of £940,000 of new capital.

A number of high profile Consultants have been recruited to enable us to expand our corporate advisory capacity and to commence the building of a Fund Management business, for which we are now seeking regulatory approval.

Conclusion

The measures that have been taken over the last year have substantially improved the Company's prospects and despite the difficult economic times I believe shareholders can view our future with confidence

Chris Marsh
Chairman

Webb Capital Plc

Registered number: 06313858

Chief Executive's Statement - Report and Accounts 31 December 2009

When I joined the Company in May 2009 I had a vision to build a financial services business that addressed the needs of entrepreneurs, managers and investors in the SME market.

In my 20 plus years as an institutional fund manager, working with the owners and directors of SME businesses, I have learned many investment lessons. I now wish to use my experience to build a traditional financial group capable of addressing the challenges confronting SME growth companies and their shareholders.

In the last years leading up to the financial meltdown in 2008 the availability of capital and in particular of cheap credit created a market place where almost any company that wanted to raise money could find an advisor to help them. The number of companies raising capital increased dramatically with little apparent thought given as to whether they had a rationalised business plan or whether the management teams understood their responsibilities to external shareholders. As a result, there are now a significant number of companies with seemingly nowhere to go, struggling for direction within the market place.

With the financial meltdown of the last two years the world has undergone a major reality check and it is clear that for the foreseeable future business conditions are going to be more difficult.

One of the consequences of the market fall was that many relatively new investment concepts were found to be verging on fraudulent and in some cases advisors recommendations were found to be more driven by personal gain than by genuine concern for the interests of investors.

With the more challenging financial conditions currently in evidence, it is clear that even good companies are struggling to find direct investment and investors are more wary than in the past about committing money into funds managed by others. This will mean that in the future those companies that manage to attract investment will have a significant advantage over those that cannot.

I strongly believe that falling share valuations have created great value in the market for discerning investors.

Since gaining its FSA authorised corporate advisory licence Webb Capital has started to recruit an experienced team of corporate financiers who can help smaller companies to resolve the financing issues associated with growth. A number of projects are already underway and I am reasonably optimistic for the future of these activities.

We have also recently submitted our application to the FSA to widen our authorisation to include fund management. In anticipation of this we have begun recruiting experienced professionals in the SME fund management sector.

For the future we intend to build a strong competitive position based upon:

- Experience;
- Unrivalled business connections; and
- Trust.

Despite the more challenging business environment I believe we have an opportunity to build a market leading group capable of addressing and resolving many of the financing and strategic issues faced by growth companies.

Simultaneously we can match them to investors who seek the above average returns available from backing successful smaller growth companies.

Webb Capital Plc

Registered number: 06313858

Chief Executive's Statement - Report and Accounts 31 December 2009

During the past six months we have successfully raised the capital needed to finance our next phase of growth. We remain focussed on keeping our committed costs under control in order to remain competitive and to deliver value for shareholders. Many of our employees and consultants are also shareholders in the Company and I am very keen to maintain a sensible link between performance and remuneration to ensure that we maximise our chances of future success.

At a time when many of our more established competitors are struggling to match their costs to the available revenue we are able to focus on the needs of our clients and in doing so to build a strong competitive position for the future.

I look forward to keeping shareholders informed of future developments.

Peter Webb
Chief Executive

Webb Capital Plc
Registered number: 06313858
Directors' Report

The directors present their report and audited financial statements for the year ended 31 December 2009.

Executive Director:

Peter Webb, Chief Executive (age 49)

Peter Webb joined the Company as Chief Executive on 1 May 2009.

Peter Webb has worked in the City for almost 30 years and during the past 21 years has established a strong reputation amongst business people and investors for his knowledge, innovative approach and track record of investing in UK smaller companies.

Prior to joining Webb Capital, Webb was the founder and Chief Executive of Unicorn Asset Management Ltd, which he established and managed from March 2000 to July 2008.

He is the recipient of multiple awards for UK smaller companies fund management, and has also created and managed many new investment funds and companies. These include: the Unicorn Free Spirit Fund, Eaglet Investment Trust PLC, Falcon Investment Trust PLC, Unicorn AIM VCT PLC, Acorn Income Fund and Osprey Smaller Companies Income Fund.

Peter began his fund management career at Thornton Investment Management Ltd in January 1988 and subsequently established his first fund management company, CW Asset Management in 1993. He sold CW to Rutherford Asset Management Ltd in 1995 where he became Investment Director until it was acquired by Close Brothers in 1996.

Following a management buy-out in association with Granville Holdings Ltd, a private bank, Peter assumed responsibility for building its institutional fund management business and served as a main board director of Granville until its takeover by Robert W. Baird Ltd in 2000, at which time he left to create Unicorn.

Non-Executive Directors:

Christopher Marsh, Chairman (age 66)

Chirs Marsh is a corporate broker by background, having joined Phillips & Drew in 1968 and headed the Small Cap broker team at UBS Limited (London) in 1993 until his retirement from UBS Limited (London) in 1998. From 1999 until 2004 he was part of a corporate advisory team at Benfield Group Limited, specialising in insurance related deals.

Chris Marsh is currently a non-executive director of Hilton Food Group plc, a non-executive director of CVS Group plc and non-executive Chairman of Framlington AIM VCT2 plc.

David Weir, Non-Executive Director (age 63)

David is a Chartered Accountant and held a number of financial roles in industry before becoming group chief executive of Caird Group plc, a listed waste management company

Since that time he has become a non-executive director of a number of public and private companies including Dee Valley Group plc and Property Recycling Group plc.

Webb Capital Plc
Registered number: 06313858
Directors' Report

Business Review and principal activities

On incorporation the principal activity of the Company was as an investing company. Following the acquisition of a 57.5 per cent shareholding interest in Fund Advisers Admin AG ('FAA') in December 2007 the principal group activity was fund administration, with a focus on offshore hedge fund solutions called Segregated Unitized Managed Portfolio based in the Cayman Islands.

In June 2009 it was decided to dispose of the Swiss interests which were sold in September 2009 for a consideration of £103,742 including the repayment of an inter-company loan.

The Group generated a loss before taxation of £29,115 (2008 loss: £665,212) on a turnover of nil (2008: £773,865) and incorporate this sale.

During the year the incoming Chief Executive Peter Webb subscribed £111,000 for 22,200,000 new ordinary shares of 0.5p (440,000 in consolidated 10p ordinary shares) which together with the proceeds of sale of FAA left the Company with net cash balances at 31 December of £169,840.

Subsequent to the year end a series of further private placings took place. These produced an aggregate £940,000 of additional cash resources to fund the future development of the Group. The Directors are confident that these cash resources are sufficient for the foreseeable future.

The Consolidated income statement for the period is set out on page 12. No dividends will be distributed for the period ended 31 December 2009.

Future Outlook

In March 2010 the Company acquired 100 per cent of the share capital of KHI Partners Limited including its FSA authorised subsidiary KHI Advisors Limited (subsequently renamed Webb Capital Advisory).

This marked the first step in the Board's strategy of developing a range of financial services businesses focussed on the needs of entrepreneurs, managers and investors in the SME sector.

In June 2010 the Company applied to extend its FSA authorisation to include fund management and in July 2010 announced the conditional purchase of 100 per cent of Chatsford Corporate Finance Limited, which is authorised by the FSA as a corporate advisor and is a Plus Markets Corporate Advisor.

These mark important steps in creating an integrated offering to the SME sector.

Key Performance Indicators ("KPIs")

Given the straightforward nature of the business, the Company's directors consider that the sales and profit figures as detailed in the business review section are suitable as a basis for an understanding of the development, performance and position of the business.

Webb Capital Plc
Registered number: 06313858
Directors' Report

Principal Risks and uncertainties

The Directors consider the principal risks and uncertainties affecting the Group are as follows:

• **Key management**

The success of the Group depends largely upon the expertise of the current Directors and senior management.

• **Future acquisitions**

The Directors and Proposed Directors intend to grow the Group both organically and by acquisition.

There can be no guarantee that the Directors will be able to agree the acquisitions of further suitable companies and/or businesses on acceptable terms or any guarantee that the Group will be able to raise sufficient finance at such time.

• **Regulatory Risk**

The Company's principal subsidiary is regulated by the FSA. Any significant change in the regulatory regime could impact upon the Company's ability to trade successfully.

• **Lack of dividends for the foreseeable future**

For the foreseeable future, the Company intends to retain any future earnings for the business and therefore the Company does not anticipate paying dividends for the foreseeable future.

Environment

The directors consider that the nature of the Group's activities during the current business development stage are not inherently detrimental to the environment.

Employees

The Group places considerable value on the involvement of its employees and they are regularly briefed on the Group's activities. The Board acknowledges that the Group's employees are a key asset in the future success of the Group and their retention and motivation is a high priority.

All employees are afforded an equal opportunity to progress and develop their careers as the Group grows.

Disabled employees

Applications for employment by disabled persons are always fully considered, bearing in mind the specific aptitudes of the applicant concerned. It is the policy of the Group that the training, career development and promotion of disabled persons, as far as possible, be identical with that of other employees.

Dividends

The directors do not propose to pay a final dividend for the period ending 31 December 2009.

Webb Capital Plc
Registered number: 06313858
Directors' Report

Directors' interests

The directors who served the company during the period together with their interests (including family interests) in the shares of the company and other group companies at the beginning (or subsequent date of appointment) and end of the period, were as follows:

Ordinary shares of 10p each

	31 December 2009	31 December 2008 (consolidated 10p shares)
Christopher Marsh	40,000	40,000
Kim Berknov	40,000	40,000
Peter Webb	440,000	0

Substantial Shareholders

At 31 July 2010 the Company has been notified of the following interests in 5% or more of the Company's share capital:

	No. Of 10p Ordinary Shares	Percentage of Issued Share
Peter Webb	2,010,000	27.20
Stephen Hazell-Smith	500,000	6.77
Paul Rackham Limited	500,000	6.77

Creditor payment policy

The Company's current policy concerning the payment of trade creditors is to:

- settle the terms of payment with suppliers when agreeing the terms of each transaction;
- ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts; and
- pay in accordance with the Company's contractual and other legal obligations.

Stakeholder pension

The Directors are planning to introduce appropriate pension provision in the near future.

Political and charitable donations

The Group made no charitable or political donations during the year.

Corporate Governance

The directors recognise the value of the Principles of the Combined Code on Corporate Governance ('the Combined Code'). Although, as a Plus Markets quoted company compliance with the Combined Code is not required and as a company with only two directors during the year it was not practical to implement the Combined Code in a meaningful manner, it is the directors' intention to seek in future to apply the Combined Code when practicable and appropriate for a company of its size.

Auditors

HMT Assurance LLP will seek reappointment at the Company's next AGM.

Disclosure of information to the auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. The directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Webb Capital Plc
Registered number: 06313858

Directors' Report

Statement of Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the group and of the profit or loss of the group for that period. In preparing those financial statements, the directors are required to select suitable accounting policies and then apply them consistently; make judgements and estimates that are reasonable and prudent; state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and prepare the financial statements on a going concern basis unless it is inappropriate to assume the group will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the Board

Peter Webb
Director

Bow House
1A Bow Lane
London, EC4M 9EE

Date: 23 August 2010

Webb Capital Plc
Independent auditor's report to the shareholders of Webb Capital Plc
for the year ended 31 December 2009

We have audited the financial statements of Webb Capital Plc for the year ended 31 December 2009 which comprise the Consolidated Income Statement, Consolidated and Company Balance Sheet, Statement of Changes in Equity, Consolidated and Company Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

This report is made solely to the company's shareholders, as a body, in accordance with Section 495 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required 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 shareholders as a body, for our audit work, for this report or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As explained more fully in the statement of Directors' Responsibilities, set out on page 9, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL ACCOUNTS

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 and 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.

BASIS OF OPINION

We conducted our audit work in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the director in preparation of the financial statements, and of whether the accounting policies are appropriate for the company's circumstances consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give a reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the group and parent company's affairs as at 31 December 2009 and of its loss for the period 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 MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Webb Capital Plc
Independent auditor's report to the shareholders of Webb Capital Plc
for the year ended 31 December 2009

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following:

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

Graham Hurst
Senior Statutory Auditor
HMT Assurance LLP
Chartered Accountants & Registered Auditors
5 Fairmile
Henley-on-Thames
Oxfordshire
RG9 2JR

Date: 23 August 2010

Webb Capital Plc
Consolidated Income Statement
for the year ended 31 December 2009

	Notes	Year to December 2009 £	Period from 16 July 2007 to 31 December 2008 £
Revenue		-	773,865
Cost of sales		-	(298,190)
Gross profit		<u>-</u>	<u>475,675</u>
Administrative expenses		(233,647)	(1,146,029)
Exceptional item		204,532	-
Operating loss	4	<u>(29,115)</u>	<u>(670,354)</u>
Income from investments			
Interest receivable		-	11,247
Interest payable		-	(6,105)
Loss on ordinary activities before taxation		<u>(29,115)</u>	<u>(665,212)</u>
Tax on loss on ordinary activities	7	-	(39)
Loss on activities after taxation		<u>(29,115)</u>	<u>(665,251)</u>
Retained loss for the financial year		<u>(29,115)</u>	<u>(665,251)</u>
Attributable to:			
Equity holders of the company		(29,115)	(647,739)
Minority Interest		-	(17,512)
		<u>(29,115)</u>	<u>(665,251)</u>
Earnings per share			
Basic Earnings/(loss) per share			
From continuing and total operations	20	<u>(£0.02)</u>	<u>(£0.014)</u>

Webb Capital Plc
Consolidated Balance Sheet
as at 31 December 2009

	Notes	31 Dec 2009 £	31 Dec 2008 £
Assets			
Non-current assets			
Other Intangible assets	8	-	88,117
Investments	9	-	1,044
Total non-current assets		-	89,161
Current assets			
Trade and other receivables	11	5,631	94,884
Cash and cash equivalents		169,840	216,273
Total current assets		175,471	311,157
Total assets		175,471	400,318
Liabilities			
Trade and other payables	12	(46,538)	(157,368)
Non-current liabilities			
Long term borrowings	13	-	(221,225)
Total liabilities		(46,538)	(378,593)
Net assets		128,933	21,725
Equity			
Share capital	15	370,188	259,188
Share premium	16	390,937	390,937
Translation reserve	17	-	19,339
Profit and loss account	18	(632,192)	(647,739)
Total Equity		128,933	21,725

Peter Webb
Director
Approved by the board on 23 August 2010

Company Number: 06313858

Webb Capital Plc
Company Balance Sheet
as at 31 December 2009

	Notes	31 Dec 2009 £	31 Dec 2008 £
Current Assets			
Trade and other receivables	11	20,110	50,183
Cash and cash equivalents		<u>169,840</u>	<u>155,212</u>
Total Assets		189,950	205,395
Trade and other payables	12	<u>(46,538)</u>	<u>(28,841)</u>
Total Liabilities		(46,538)	(28,841)
Net Assets		<u>143,412</u>	<u>176,554</u>
Equity			
Share capital	15	370,188	259,188
Share premium	16	390,937	390,937
Profit and loss account	18	(617,713)	(473,571)
Total Equity		<u>143,412</u>	<u>176,554</u>

Peter Webb
Director
Approved by the board on 23 August 2010

Webb Capital Plc
Consolidated Cash Flow Statement
for the year ended 31 December 2009

	2009 £	2008 £
Cash flow from operating activities		
Operating loss	(29,115)	(665,251)
Adjusted for:		
Depreciation	-	261
Impairment of goodwill	-	522,050
Net interest receivable	-	(5,142)
Exceptional items	(204,532)	-
Increase in receivables	(11,796)	(30,452)
(Decrease)/increase in payables	(15,732)	85,340
Taxation expense recognised in profit and loss account	-	39
Loss/(Profit) on Exchange	-	41,878
Net Cash from operating activities	<u>(261,175)</u>	<u>(51,277)</u>
Cash flows from investing activities		
Interest received	-	11,247
Interest paid	-	(6,105)
Sale of investment	103,742	-
Purchase of intangible assets	-	(88,117)
Acquisition of subsidiary	-	(202,541)
Net cash outflow from investing activities	<u>103,742</u>	<u>(285,516)</u>
Cash flows from financing activities		
Proceeds from the issue of shares (net)	111,000	553,066
Net cash flow from financing activities	<u>111,000</u>	<u>553,066</u>
Net increase in cash and cash equivalents	(46,433)	216,273
Cash and cash equivalents at beginning of year	216,273	-
Cash and cash equivalents at end of the year	<u>169,840</u>	<u>216,273</u>

Webb Capital Plc
Company Cash Flow Statement
for the year ended 31 December 2009

	2009	2008
	£	£
Cash generated from operations		
Operating loss	(259,794)	(69,688)
Reconciliation to cash generated from operations:		
Decrease/(increase) in receivables	30,073	(50,183)
Increase in payables	17,697	28,841
Foreign exchange gains on operating activities	-	(95,178)
	<u>(212,024)</u>	<u>(186,208)</u>
Cash from other sources		
Issue of shares for cash	111,000	553,066
Finance income	-	22,064
Loss on exchange of foreign currency	-	95,178
Proceeds from sale of investments	115,652	-
	<u>226,652</u>	<u>670,308</u>
Application of cash		
Acquisition of Subsidiary	-	(328,888)
	<u>-</u>	<u>(328,888)</u>
Net increase in cash	14,628	155,212
Cash and cash equivalents at 1 January	<u>155,212</u>	<u>-</u>
Cash and cash equivalents at 31 December	<u>169,840</u>	<u>155,212</u>
Consisting of:		
Cash and cash equivalents	<u>169,840</u>	<u>155,212</u>

Webb Capital Plc
Statement of Changes in Equity
for the year ended 31 December 2009

Group	Share Capital £	Share Premium £	Profit & Loss £	Translation Reserve £	Minority Interest £	Total Equity £
Balance at 16.07.07						
Arising on acquisition	-	-	-	-	17,512	17,512
Loss for the period	-	-	(450,466)	-	(214,785)	(665,251)
Issue of Shares	259,188	390,937	-	-	-	650,125
Exchange Difference	-	-	-	19,339	-	19,339
Movement on Reserves	-	-	(197,273)	-	197,273	-
Balance at 31.12.08	259,188	390,937	(647,739)	19,339	-	21,725
Loss for the period	-	-	(29,115)	-	-	(29,115)
Issue of Shares	111,000	-	-	-	-	111,000
Foreign exchange on translation of overseas subsidiary	-	-	44,662	(44,662)	-	-
Overseas subsidiary sold in period	-	-	-	25,323	-	25,323
Balance at 31.12.09	370,188	390,937	(632,192)	-	-	128,933

Company	Share Capital £	Share Premium £	Profit & Loss £	Total Equity £
Balance at 16.07.07				
Loss for the period	-	-	(473,571)	(473,571)
Issue of Shares	259,188	390,937	-	650,125
Balance at 31.12.08	259,188	390,937	(473,571)	176,554
Loss for the period	-	-	(144,142)	(144,142)
Issue of Shares	111,000	-	-	111,000
Balance at 31.12.09	370,188	390,937	(617,713)	143,412

Webb Capital Plc
Notes to the Financial Statements
for the year ended 31 December 2009

1 Accounting policies

Basis of preparation

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the EU.

The financial statements have been prepared using the measurement bases specified by IFRS for each type of asset, liability, income and expense. The measurement bases are more fully described in the accounting policies below and are in accordance with the Companies Act 2006 and applicable International Financial Reporting Standards.

These consolidated financial statements have been prepared in accordance with the accounting policies set out below which are based on the recognition and measurement principles of IFRS in issue as adopted by the European Union (EU) and are effective at 31 December 2009.

Going concern

Subsequent to the year end a series of further private placings took place. These produced an aggregate £940,000 of additional cash resources to fund the future development of the Group. The Directors are confident that these cash resources are sufficient for the foreseeable future.

Basis of consolidation

Subsidiary undertakings are all entities over which the Group has power to govern the financial and operating policies of the subsidiary and therefore exercise control. The existence and effect of both current voting rights and potential voting rights that are currently exercisable or convertible are considered when assessing whether control of an entity is exercised. Subsidiaries are consolidated from the date at which the Group obtains the relevant level of control and are de-consolidated from the date at which control ceases.

The acquisition method of accounting is used for all business combinations. On acquisition, the assets, liabilities and contingent liabilities of the subsidiary are measured at their fair values. The cost of the business combination is measured at the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Any excess of the cost of the combination over the fair value of the group's share of the identifiable net assets acquired, the difference is credited to the income statement in the period of acquisition.

Where payment of part of the cost of the combination is contingent on future events, for instance future profit streams of the subsidiary acquired, a provision is recognised at the date of acquisition if it is thought probable that such future events will be achieved, and the cost of the combination increased accordingly. The provision is recognised at its fair value, discounted to recognise the effect of the time value of money. The discount is released over the period over which the future events are assessed such that at the date of payment the provision is equal to the amount of deferred consideration to be paid. The provision is assessed at each reporting date and adjusted if expectations of the amount payable have changed. Inter-company transactions and balances between group companies are eliminated on consolidation.

Where a minority has retained an interest in a subsidiary, the group treats transactions with the minority as transactions with parties external to the group. Disposals to minority interests result in gains and losses for the group which are recognised in the income statement. Purchases from the minority interest result in goodwill which is calculated as the difference between the consideration paid for the increase in stake and the relevant share acquired of the carrying value of the net assets of the subsidiary at the date the increased stake is obtained.

Webb Capital Plc
Notes to the Financial Statements
for the year ended 31 December 2009

Losses are only attributable to Minority interests to the extent of their committed capital or if there is a binding commitment from the minority to make good the losses and they have ability to do so.

Goodwill

Goodwill arising on acquisitions is stated at cost. Goodwill is not amortised, but is subject to an annual test for impairment. Impairment testing is performed by the directors as set out below. Where impairment is identified, it is charged to the income statement in that period.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of the goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

Cash and cash equivalents

Cash and cash equivalents comprise short-term bank deposits with an original maturity of three months or less. The carrying amount of these assets approximates their fair value.

Revenue recognition

Revenue represents the turnover, net of discounts and including commissions from third parties, derived from services provided to and invoiced to customers. Where no fee is payable until a critical event is achieved, revenue is not recognised until that critical event has occurred.

Taxation and Deferred taxation

The tax expense for the year represents the total of current taxation and deferred taxation. The charge in respect of current taxation is based on the estimated taxable profit for the year. Taxable profit for the year is based on the profit as shown in the income statement, as adjusted for items of income or expenditure which are not deductible or chargeable for tax purposes. The current tax liability for the year is calculated using tax rates which have either been enacted or substantially enacted at the balance sheet date.

Deferred tax is provided in full, using the liability method on temporary differences arising between the tax base of assets and liabilities and their carrying values in the financial statements. The deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates which have been enacted at the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

Deferred tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the timing difference is controlled by the group and it is probable that the temporary difference will not reverse in the foreseeable future.

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Foreign currencies

Items included in the financial statements of each group company are measured using their functional currency, being the currency of the primary economic environment in which each company operates. The consolidated financial statements are presented in Sterling, which is the company's functional and presentational currency.

Foreign currency transactions are translated using the rate of exchange applicable at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transaction and from the re-translation at the year end of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

The results and financial position of group companies whose functional currency is not sterling are translated as follows:

- Assets and liabilities at each balance sheet date presented are translated using the closing exchange rate at the balance sheet date;
- Income and expenses for each income statement are translated using average exchange rates which reasonably approximate the effect of the rates prevailing on the transaction dates.

All resulting exchange differences are recognised on the group balance sheet in a separate component of equity, the translation reserve. When a foreign subsidiary is disposed of, exchange differences recognised in equity relating to that subsidiary are recognised in the income statement as part of the gain or loss on sale.

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.

Leasing and hire purchase commitments

Rentals paid under operating leases are charged against income on a straight line basis over the lease term.

Borrowings

Borrowings are recognised initially at fair value, including transaction costs incurred. Borrowings are subsequently stated at amortised cost, any difference between proceeds and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

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2 Segmental Reporting

The Board considers that during 2008 that the Group had a single business segment which delivers fund administration services to Swiss based fund managers. The revenue, expenditure and result reported in the income statement and the assets and liabilities reported in the balance sheet all relate to this single segment. An analysis of turnover within the business segment is given below:

	2009	2008
	£	£
Group		
Administration fees	-	241,491
Rebates and commission	-	508,930
Other income	-	23,443
	<u>-</u>	<u>773,864</u>

3 Staff costs

	2009	2008
	£	£
Group		
Wages and salaries	-	248,080
Directors remuneration	-	31,000
Social security costs	-	39,368
	<u>-</u>	<u>318,448</u>

The remuneration to the highest paid director included above was £Nil (2008: £31,000).

The average monthly number of employees in the Group was as follows:

Administration (including directors)	<u>3</u>	<u>8</u>
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4 Operating profit/ (loss)

	2009	2008
	£	£
This is stated after charging:		
Impairment of Intangible assets	-	412,467
Auditors' remuneration	7,500	9,000
Impairment of Goodwill	<u>-</u>	<u>109,583</u>

The exceptional item within the Income Statement relates to profit on the sale of Fund Advisors Admin AG.

5 Interest received

	2009	2008
	£	£
Group		
Interest received	<u>-</u>	<u>11,247</u>

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6 Interest payable	2009	2008
	£	£
Group		
Interest payable	-	6,105

7 Taxation	2009	2008
	£	£
UK corporation tax	-	39

The tax on the group's loss differs from the theoretical amount that would arise using an illustrative tax rate of 28% on the losses of the consolidated entities as follows:

Consolidated Loss before taxation	(29,115)	(665,212)
Tax calculated at the illustrative rate of 28% (2008 - 28%)	(8,152)	(186,259)
Tax effects of:		
- Expenses not deductible for tax purposes	-	132,091
- Tax losses for which no deferred tax asset was recognised	8,152	54,207
Current tax charge	-	39

In accordance with IAS 12 the Company did not capitalise a deferred tax asset relating to tax loss carry-forwards of approximately £200,000 and temporary differences between tax and book accounts since the criteria for recognition were not met.

8 Intangible fixed assets

	Software Development costs
	£
Group	
Cost	
At 1 January 2009	88,117
At 31 December 2009	88,117
Amortisation	
At 1 January 2009	-
Impairment charge	88,117
On disposals	-
At 31 December 2009	88,117
Net book value	
At 31 December 2009	-
At 31 December 2008	88,117

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9 Investments

Group	£
Cost	
At 1 January 2009	1,631
Disposals	<u>(1,631)</u>
At 31 December 2009	<u>-</u>
Depreciation	
At 1 January 2009	587
On disposals	<u>(587)</u>
At 31 December 2009	<u>-</u>
Net book value	
At 31 December 2009	<u>-</u>
At 31 December 2008	<u>1,044</u>

10 Investments

The company holds 20% or more of the share capital of the following companies:

Company	Country of registration or incorporation	Shares held Class	%
Webb Capital Asset Management Limited	England and Wales	Ordinary	100.00

During the year the company disposed of its 57.50% share in Fund Advisors Admin AG.

11 Trade and other receivables

Group	31 Dec 2009	31 Dec 2008
	£	£
Trade receivables	-	47,875
Other receivables	-	4,382
Taxes - VAT	5,631	34,499
Accrued income	-	1,492
Deferred expenses	<u>-</u>	<u>6,636</u>
	<u>5,631</u>	<u>94,884</u>
Company		
Amounts owed by group undertakings	14,479	14,500
Other receivables	<u>5,631</u>	<u>35,683</u>
	<u>20,110</u>	<u>50,183</u>

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12 Trade and other payables	31 Dec 2009	31 Dec 2008
	£	£
Group		
Trade payables	-	57,744
Accrued expenses	46,538	86,121
Other payables	-	13,503
	<u>46,538</u>	<u>157,368</u>
Company		
Other taxes and social security costs	-	12,284
Other payables	46,538	16,557
	<u>46,538</u>	<u>28,841</u>

13 Long term borrowings	2009	2008
	£	£
Group		
Participator loans	-	221,225
	<u>-</u>	<u>221,225</u>

14 Financial instruments - risk management

The Group and the company in principle do not use or trade in derivative financial instruments.

Financial assets categorised as loans and receivables

	Group	Company
	2009	2009
	£	£
Trade and other receivables	5,631	20,110
Cash and cash equivalents	169,840	169,840
	<u>175,471</u>	<u>189,950</u>

Financial liabilities measured at amortised cost

	Group	Company
	2009	2009
	£	£
Accrued expenses	46,538	46,538
	<u>46,538</u>	<u>46,538</u>

The main risks arising from the financial instruments of the Group and that of the company are credit risk, interest rate risk, liquidity risk and fair value risk. The Board reviews and agrees policies for managing these risks and they are summarised below. These policies have remained unchanged throughout the financial period.

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Credit risk

The exposure to credit risk of the Group and of the company is limited to the carrying values of the financial assets recognised at the balance sheet date, as summarised below:

	Group 2009 £	Company 2009 £
Classes of financial assets - carrying amount		
Cash and cash equivalents	169,840	169,840
Trade and other receivables	5,631	20,110
	<u>175,471</u>	<u>189,950</u>

The maximum exposure to credit risk in relation to trade receivables is equivalent to the period end balance. It is the policy of the Group and of the company to assess the credit risk of its customers. The Group and the company closely monitor the credit worthiness of customers and other counterparties, and will require an advance payment if necessary. The Group and the company will terminate the business with a poor credit history.

The Directors consider that all the above financial assets that are not impaired at the date under review are of good credit quality, based on the financial information and past trading history, including those that are past due.

Neither the Group nor the company are exposed to any significant credit risk exposure to any single counterparty or group of counterparties having similar characteristics. The credit risk for cash and cash equivalents is considered negligible since the counterparties are reputable banks with high quality external credit ratings.

Liquidity risk

The objectives of the Group and of the company are to maintain a balance between continuity of funding and flexibility through cash pooling and shareholder funding. The Group monitors its liquidity risk on an ongoing basis by undertaking regular cash flow forecasting procedures.

The financial liabilities of the Group and of the company have contracted maturities, which are summarised below:

	Group 2009 £	Company 2009 £
	Within 6 months	6 to 12 months
Trade payables	<u>-</u>	<u>-</u>

Interest rate risk

The Group and the company finance themselves using their own cash balances which comprise cash and short-term deposits, and therefore has no significant interest rate risk. Additionally short term and long term borrowings are on fixed rates.

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15 Share capital	Authorised		Issued	
	No	£	No	£
Ordinary shares of 0.5p each				
At 1 January 2009	500,000,000	2,500,000	51,837,572	259,188
Issued in the year	-	-	22,200,028	111,000
Consolidation (see below)	<u>(500,000,000)</u>	<u>(2,500,000)</u>	<u>(74,037,600)</u>	<u>(370,188)</u>
	-	-	-	-
Ordinary shares of 25p each				
Arising on consolidation	10,000,000	2,500,000	1,480,752	370,188
Subdivision into Ordinary shares of 10p each and deferred shares of 15p each	<u>(10,000,000)</u>	<u>(2,500,000)</u>	<u>(1,480,752)</u>	<u>(370,188)</u>
	-	-	-	-
Ordinary shares of 10p each				
Arising on subdivision	10,000,000	1,000,000	1,480,752	148,075
Deferred shares of 15p each				
Arising on subdivision	10,000,000	<u>2,500,000</u>	2,221,128	<u>222,113</u>
		<u>3,500,000</u>		<u>370,188</u>

The deferred shares carry no rights to a dividend. The deferred shares carry no voting rights and do participate in the capital of the company on a winding up.

16 Share premium	2009	2008
	£	£
At 1 January 2009	390,937	-
Shares issued	-	390,937
At 31 December 2009	<u>390,937</u>	<u>390,937</u>

17 Translation reserve	2009	2008
	£	£
At 1 January 2009	19,339	-
Foreign exchange on translation of overseas subsidiary	(44,662)	19,339
Overseas subsidiary sold in period	25,323	-
At 31 December 2009	<u>-</u>	<u>19,339</u>

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18 Profit and Loss account	2009	2008
	£	£
At 1 January 2009	(647,739)	-
Loss for the year	(29,115)	(450,466)
Foreign exchange on translation of overseas subsidiary	44,662	-
Minority interest	-	(197,273)
	<hr/>	<hr/>
At 31 December 2009	<u>(632,192)</u>	<u>(647,739)</u>

19 Events after the reporting period

Since the end of the year, the company acquired KHI Partners Limited in return for a cash payment of £42,500. Since the end of the year, the company has issued a total of 5,907,999 Ordinary shares for a consideration of £940,000.

In July 2010 the company agreed to acquire Chatsford Corporate Finance Limited in return for £64,000 of which £12,800 was payable in cash and the balance by the issue of 204,800 new ordinary shares credited as fully paid.

20 Earnings per Share

The basic earnings per share is calculated by dividing the profit for the financial year attributable to shareholders by the weighted average number of shares in issue.

	2009
Weighted average number of shares	1,480,752
Loss for the year	£29,115
Loss per share (basic)	0.0197

21 Profit accounted for in the parent company

As permitted by section 408 of the Companies Act 2006, the income statement of the parent company is not presented as part of the financial statements. The parent company's loss for the year was £144,142 (£473,571:2008)

22 Related parties

Group and company

During the year the company was invoiced the following amounts by Evergreen Capital Partners Limited, a company of which Kim Berkov is a director.

Fund raising and advisory	£4,000
Reimbursement of expenses	£Nil
Rent	£Nil

Transactions and balances between Group entities

At the year end, the following balances are owed to the company by the Group entities:

Web Capital Asset Management Limited	£14,479
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