

General Capital Group Plc
Interim Financial Report
for the six month period ended 30 June 2005

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General Capital Group Plc
Interim Financial Report
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Company Information

Registered number

4076067

Registered office

16 Lower Brook Street
Ipswich
Suffolk
IP4 1AP

Non Executive Chairman

A J Scott-Barrett

Directors

J C Hill
M D Edworthy
C S St J Owen
D E Flowerdew

Secretary

J C Hill

General Capital Group Plc
Chairmans' Statement
for the six month period ended 30 June 2005

The results for the first half of 2005 reflect a strong performance from all parts of the enlarged Group.

The Commercial Finance Division, combining own book lending and broking, is well ahead of budget and has excellent opportunities for profitable growth; both organically and by selective acquisition. Because the division has eliminated its' historic consumer exposure it is insulated from the well publicised increase in consumer credit delinquency.

The Venture Finance Division has had a really excellent first half with a significant number of successful exits completed. New business opportunities continue to be received and processed at a considerably higher rate than projected. This strong transaction flow allied with careful credit evaluation and a 'can do' culture in an under populated niche provides confidence in predicting continued profit growth.

Alex Scott-Barrett

Chairman

8 August 2005

General Capital Group Plc

Interim Financial Report

for the six month period ended 30 June 2005

Independent review report to General Capital Group Plc

Introduction

We have been instructed by the company to review the financial information for the six month period ended 30 June 2005 which comprises the consolidated profit and loss account, balance sheet, cash flow statement and related notes. We have read the other information contained in the interim report which comprises only the Chairman's statement and considered whether it contains any apparent misstatements or material inconsistencies with the financial information. Our responsibilities do not extend to any other information.

This report is made solely to the company, in accordance with guidance contained in APB Bulletin 1999/4 "Review of Interim Financial Information". Our review work has been undertaken so that we might state to the company those matters we are required to state to it in a review 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, for our review work, for this report, or for the conclusion we have formed.

Directors' Responsibilities

The interim report including the financial information contained therein is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the interim report and for ensuring that the accounting policies and presentation applied to the interim figures is consistent with those applied in preparing the preceding annual financial statements except where any changes, and the reasons for them, are disclosed.

Review Work Performed

We conducted our review in accordance with guidance contained in Bulletin 1999/4 "Review of Interim Financial Information" issued by the Auditing Practices Board for use in the United Kingdom. A review consists principally of making enquiries of management and applying analytical procedures to the financial information and underlying financial data and based thereon, assessing whether the accounting policies and presentation have been consistently applied unless otherwise disclosed. A review excludes audit procedures such as tests of controls and verification of assets, liabilities and transactions. It is substantially less in scope than an audit performed in accordance with United Kingdom auditing standards and therefore provides a lower level of assurance than an audit. Accordingly, we do not express an audit opinion on the financial information. A review of the comparative figures for the six month period ended 30 June 2004 has not been undertaken.

Review Conclusion

On the basis of our review we are not aware of any material modifications that should be made to the financial information as presented for the six month period ended 30 June 2005.

Lovewell Blake
Chartered Accountants

16 August 2005

89 Bridge Road
Oulton Broad
Lowestoft
Suffolk
NR32 3LN

General Capital Group Plc and its Subsidiary Companies

Consolidated Profit and Loss Account

for the six month period ended 30 June 2005

	6 months to 30/06/05 (Unaudited) £000	6 months to 30/6/04 (Unaudited) £000	15 months to 31/12/04 (Audited) £000
Turnover	2,885	900	3,617
Cost of sales	(759)	(250)	(993)
Gross profit	2,126	650	2,624
Selling costs	(212)	(42)	(300)
Administrative expenses	(1,119)	(446)	(1,482)
Amortisation of goodwill on consolidation	(79)	(22)	(102)
Operating profit	716	140	740
Interest receivable	-	-	5
Profit on ordinary activities before taxation	716	140	745
Tax on profit on ordinary activities	(254)	(56)	(288)
Profit on ordinary activities after taxation	462	84	457
Dividends (non-equity shares)	(61)	(29)	(97)
Retained profit for the period	401	55	360

All amounts relate to continuing activities.

The Group has no recognised gains or losses other than the results for the period as set out above.

General Capital Group Plc and its Subsidiary Companies

Consolidated Balance Sheet

as at 30 June 2005

	at 30/06/05	at 30/6/04	at 31/12/04
	(Unaudited)	(Unaudited)	(Audited)
	£000	£000	£000
Fixed assets			
Intangible assets	2,954	742	2,928
Tangible assets	325	41	162
Investments	113	110	217
	3,392	893	3,307
Current assets			
Debtors : amounts falling due within and after more than one year	23,494	8,418	20,991
Cash in hand and at bank	402	-	150
Investments	15	-	15
	23,911	8,418	21,156
Creditors : Amounts falling due within one year	2,001	869	2,412
Net current assets	21,910	7,550	18,744
Total assets less current liabilities	25,302	8,443	22,051
Creditors : Amounts falling due after more than one year	22,866	7,235	20,366
Capital and reserves			
Called up share capital	1,512	610	1,162
Share premium account	121	2	121
Profit and loss account	803	145	402
Shareholders' funds	2,436	757	1,685
Minority interests	-	450	-
	25,302	8,442	22,051
Shareholders' funds			
Equity interests	946	167	545
Non-equity interests	1,490	590	1,140
	2,436	757	1,685

The Board approved the financial information set out in this interim report on 8 August 2005.

General Capital Group Plc and its Subsidiary Companies

Consolidated Cash Flow Statement

for the six month period ended 30 June 2005

	6 months to 30/6/05 (Unaudited) £000	6 months to 30/6/04 (Unaudited) £000	15 months to 31/12/04 (Audited) £000
Reconciliation of operating profit to net cash inflow from operating activities			
Operating profit	716	140	740
Depreciation and amortisation	118	28	131
(Profit)/loss on disposal of fixed assets	(4)	4	4
(Increase)/decrease in debtors	(2,503)	116	(3,095)
Increase/(decrease) in creditors	65	(388)	(88)
Net cash outflow from operating activities	(1,608)	(100)	(2,308)
Consolidated cashflow statement			
Net cash inflow/(outflow) from operating activities	(1,608)	(100)	(2,308)
Returns on investments and servicing of finance	(61)	(29)	(91)
Taxation	(98)	(122)	(303)
Capital expenditure and financial investment	(32)	(343)	(239)
Acquisitions and disposals	-	-	(8,571)
Financing	297	452	(61)
	(1,502)	(142)	(11,573)
Reconciliation of net cashflow to movement in net debt			
Increase/(decrease) in cash in the year	(1,502)	(142)	(11,573)
Cash outflow from (increase)/decrease in debt	53	-	13
Change in net debt resulting from cash flows	(1,449)	(142)	(11,560)
Loans acquired with subsidiary	-	-	(3,700)
New hire purchase agreements	(167)	-	(82)
Movement in net debt in the period	(1,616)	(142)	(15,342)
Opening net debt	(20,990)	(7,370)	(5,648)
Closing net debt	(22,606)	(7,512)	(20,990)

General Capital Group Plc and its Subsidiary Companies

Notes to the Interim Financial Statements

for the six month period ended 30 June 2005

Basis of preparation

The interim financial statements do not comprise statutory accounts within the meaning of Section 240 of the Companies Act 1985 (as amended) ("the Act").

The interim financial statements for the six month period ended 30 June 2005 have been prepared on a consistent basis and using the same accounting policies as the audited financial statements for the period ended 31 December 2004, except as noted below.

The financial information for the six month period ended 30 June 2004 has been extracted from the Group management accounts. This comparative financial information has not been subject to an independent review.

The financial information for the year ended 31 December 2004 has been extracted from the statutory accounts, as filed with the Registrar of Companies.

The auditors report on the 2004 financial statements was unqualified and contained no statement under section 237(2) or 237(3) of the Companies Act 1985 (as amended).

Taxation

The figure for taxation included in the interim financial statements is based on an estimated tax charge of 30% for the period.

Acquisition of subsidiary undertakings (prior period)

In August 2004, the Group acquired the business of General Capital Finance Limited (formerly Norfolk & Suffolk Finance Limited).

In December 2004 the Group acquired the business of Norfolk & Suffolk Finance Limited (formally General Capital Finance Limited).

Reconciliation of movements in equity shareholders' funds

	6 months to 30/6/05 (Unaudited) £000	6 months to 30/6/04 (Unaudited) £000	15 months to 31/12/04 (Audited) £000
Profit for the period	401	55	360
New share capital subscribed	-	2	133
Opening equity shareholders' funds	545	110	52
Closing equity shareholders' funds	946	167	545

General Capital Group Plc and its Subsidiary Companies

Notes to the Interim Financial Statements

for the six month period ended 30 June 2005

Notes to the cash flow statement - gross cashflows

	6 months to 30/6/05 (Unaudited) £000	6 months to 30/6/04 (Unaudited) £000	15 months to 31/12/04 (Audited) £000
Returns on investment and servicing of finance			
Interest received	-	-	5
Non-equity dividends paid	(61)	(29)	(96)
	<u>(61)</u>	<u>(29)</u>	<u>(91)</u>
Capital expenditure and financial investment			
Payments to acquire tangible fixed assets	(54)	(43)	(55)
Receipts from sales of tangible assets	22	33	33
Payments to acquire fixed asset investments	-	(30)	(217)
Payments to acquire current asset investments	-	(303)	-
	<u>(32)</u>	<u>(343)</u>	<u>(239)</u>
Acquisitions and disposals			
Purchase of subsidiary undertaking	-	-	(8,078)
Net overdrafts acquired with subsidiary	-	-	(493)
	<u>-</u>	<u>-</u>	<u>(8,571)</u>
Financing			
Issue of ordinary share capital	-	2	133
Issue of preference shares	350	450	-
Redemption of preference shares	-	-	(180)
Capital element of hire purchase payments	(53)	-	(14)
	<u>297</u>	<u>452</u>	<u>(61)</u>