

Group overview

General Capital is a specialist lending group providing innovative and flexible funding solutions to UK SME's in the range of £10k to £1m. We provide a range of lending solutions designed to meet the needs of businesses which are overlooked by mainstream lenders.

The group adopts an holistic approach to credit underwriting, assessing the clients business performance and strength of management as well as the underlying asset security for any given transaction. General Capital's flexibility and speed of decision making is a key competitive advantage in this sector and the Group now provides loan facilities to over 1,000 clients across the UK.

The group has a diverse loan portfolio with its lending activities organised into three principal trading divisions; Commercial Asset Finance, Property Finance and Venture Finance.

Commercial Asset Finance

Our Commercial Asset Finance Division provides finance facilities in the range of £10k to £1m secured against the tangible assets used within a clients business. Typically these assets are either (i) central to the revenue production of the business or (ii) assets which have strong residual values. Finance is provided in the form of commercial loan, hire purchase or finance lease agreements where the group assumes no residual value risk.

Property Finance

Our Property Finance Division is a specialist lender providing finance to small well established property developers. Funding is provided by short term property secured loans in the range of £25k to £1m. Examples include:

- Development (new-build, refurbishment or conversion) – we will consider stage funding of up to 100% of the development costs to assist a developers cash flow requirements. Loan to (end) value is typically capped at 75% but each proposal is individually underwritten to ensure sufficient appropriate security is obtained, either exclusively on the development property or supported by another UK freehold property.
- Mezzanine – we will consider mezzanine facilities for experienced developers who need additional finance over and above that already provided by mainstream lenders.
- Bridging and refinancing – we will consider short term loan facilities to bridge clients into more appropriate longer term financing arrangements.

Venture Finance

Our Venture Finance Division provides structured finance facilities of between £100k and £1m to support growing and entrepreneurial businesses in the UK SME sector. Typically secured on tangible assets, although not exclusively, finance is provided in the form of standard lease and commercial loan agreements and is supported with tailored security arrangements including debentures and personal guarantees.

These structured finance facilities are designed to assist in filling the 'equity gap' between early stage seed capital and the institutional funds available to more mature businesses. Equity participation is typically negotiated alongside the provision of these facilities and this is normally by way of equity warrants or nominal subscriptions at par.

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Company Information:

Registered number

SC115000

Non-Executive Chairman

D M J Hickey (appointed 14 September 2006)

Non-Executive Director

A J Scott-Barrett (appointed 14 September 2006)
A D Thomson (resigned 14 September 2006)

Executive Directors

J C Hill	(appointed 14 September 2006)	Executive Deputy Chairman
M D Edworthy	(appointed 14 September 2006)	Managing Director
N L Marsham	(appointed 14 September 2006)	Finance Director

Secretary

N L Marsham

Registered office

33 Bothwell Street
Glasgow
G2 6NL

Auditors

Baker Tilly UK Audit LLP
Chartered Accountants and Registered Auditor
Abbotsgate House
Hollow Road
Bury St Edmunds
Suffolk
IP32 7FA

Professional contacts and advisers:

Nominated adviser and broker

Collins Stewart Europe Ltd
9th Floor
88 Wood Street
London
EC2V 7QR

Public relations

Abchurch Communications
100 Cannon Street
London
EC4N 6EU

Registrars

Capita Registrars
34 Beckenham Road
Beckenham
Kent
BR3 4TU

Bankers

Bank of Scotland Plc 35 Princes Street Ipswich Suffolk IP1 1AE	N M Rothschild & Sons Ltd New Court St. Swithin's Lane London EC4P 4DU
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Solicitors

Pinsent Masons City Point One Ropemaker Street London EC2Y 9AH	Ashton Graham Waterfront House, Wherry Quay Ipswich Suffolk IP4 1AS
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Chairman's statement for the year ended 31 December 2006

Introduction

I was appointed Non-Executive Chairman of General Capital Group Plc on 14 September 2006 following the Group's reversal onto the Alternative Investment Market ("AiM") in the same month. These are the first full year results issued since listing and I am delighted to report another highly successful year for the Group, with record financial results and growth across all trading divisions.

AiM listing

The Group completed its listing onto AiM in September 2006 via a reverse acquisition of Clan Homes Plc, a company of which I was Non Executive Director. Upon listing the Group benefited from an increase in equity of £3.16m (before expenses); £2.16m of new money placed with third party investors and £1m of cash reserves held by Clan Homes Plc.

The acquisition of General Capital Group Plc by Clan Homes Plc has been accounted for in accordance with the reverse acquisition accounting rules. Further details can be seen in note 1 to the financial statements.

Financial highlights and key performance indicators	31 Dec 06	31 Dec 05
	£000	£000
Turnover	8,087	6,149
Gross profit	6,267	4,548
Profit before taxation	1,040	849
Profit before taxation and preference dividends	1,298	985
Unrealised gains on investments	1,730	1,075
Net assets	7,494	1,800

Financial results

Trading

Group turnover for the year to 31 December 2006 increased by 32% to £8.1m. This turnover growth was represented across all divisions and was based on core loan portfolio growth and increased fee levels. The Group has been able to sustain lending rates at healthy margins and fee opportunities, particularly within the Venture Finance Division, have continued to add further profitability to lending situations. The Group has consistently achieved returns in excess of 20% from interest income, fees and early settlement profits from its core loan portfolio.

Default levels and bad debts have remained consistent throughout the period, despite what has been seen by many to be more challenging economic conditions, particularly towards the end of the year. Our bad debt record is testament to the rigorous underwriting and collections approach adopted across the Group and this continues to be the key determinant of our success in any given financial period.

Chairman's statement for the year ended 31 December 2006

The growth in turnover has been matched with financial investment into back-office systems and staff to provide further scalability to our business model. Accordingly, administrative expenses also grew during the year but cost control remains a key focus for the Group in its efforts to maximise profitability.

Profits before taxation increased by 22% to £1.0m. Profits before taxation and preference dividends increased by 32% to £1.3m, reflecting a consistent increase in line with levels of turnover.

In addition to realised profits, the Group achieved a £1.7m unrealised gain following the admission to AiM of a client to which we had been providing debt facilities; the terms of which included the right to exercise options in our clients equity. We do not revalue unquoted or unconverted warrants and options – preferring instead to recognise gains only when represented by cash or on listing.

It is the Group's policy to seek equity participation where possible, alongside its debt exposures, to maximise profit opportunities from each client. Typically this participation is by way of an equity warrant or subscription at par (where par values are nominal). Equity holdings are held for short term gain only and the Group actively seeks to liquidate these investments into cash as quickly as possible, so that the cash can be re-cycled into its core loan portfolio.

Total recognised gains and losses for the year were £1.7m, up 38% on last year.

Portfolio

The Group's net loan portfolio stood at £34m as at 31 December 2006 (2005: £24m), an increase of 29% on the previous year. The gross loan portfolio (inclusive of charges attributable to future financial periods) stood at £38m (2005: £28m).

All three trading divisions reported portfolio growth, with Property Finance and Venture Finance showing the strongest performance in 2006.

Funding

The group enjoys a strong relationship with its senior debt providers Bank of Scotland ("HBOS") and N M Rothschild & Sons Ltd ("NMR"). The Group extended its funding lines upon listing and as at 31 December 2006 had total committed facilities of £30m, £20m from HBOS and £10m from NMR.

The loan portfolio contains natural hedges against interest rate movements in so far as it is predominately a short term portfolio (the property book and more than 50 per cent of the venture finance book have agreement terms of less than 12 months). The Group also has a small portfolio of agreements where it has the right to vary the interest rate at its discretion.

The Group intends to enter into an interest rate hedging arrangement during 2007.

Recent events

I am pleased to report that during March 2007 the Group completed three significant events, firstly the raising of £10m of new equity (before expenses), secondly the further extension of the Group's senior debt facilities to £40m and thirdly the acquisition of Norton Folgate FG Plc.

Chairman's statement for the year ended 31 December 2006

All three transactions will provide the Group with further capacity to accelerate the growth of the business, particularly the acquisition of Norton Folgate which has the potential to double the flow of new business into our core Asset Finance Division.

Strategy

The Group has made significant progress during 2006, achieving substantial growth in portfolio size, turnover and profitability. The listing on AiM has further increased our market presence and has provided us with the capital to pursue our ambitious growth targets.

We will continue to expand our lending operations across all three divisions, with particular focus on our Asset Finance Division, which we see as the core to our business.

We continue to appraise acquisition opportunities and we see this as an important part of our strategy in our creation of shareholder value. We have now successfully integrated three acquisitions into the business in the last three years, in addition to our reversal onto AiM.

Outlook

As stated in the Interim results in September 2006, the General Capital lending model is designed to be resilient in all economic cycles. The recent economic down turn and uncertain outlook offers challenges for the business going forward but most importantly it also offers significant opportunities. As other mainstream lenders further tighten their lending criteria, this provides the Group with access to an even wider client base which the banks are unwilling to serve. With the recent capital strengthening, extended senior debt facilities and its improved market presence, General Capital is well positioned to capitalise on the opportunities available to it.

Since the year end, the Group has continued to trade in line with our expectations.

David Hickey
Non Executive Chairman

27 June 2007

Managing director's statement for the year ended 31 December 2006

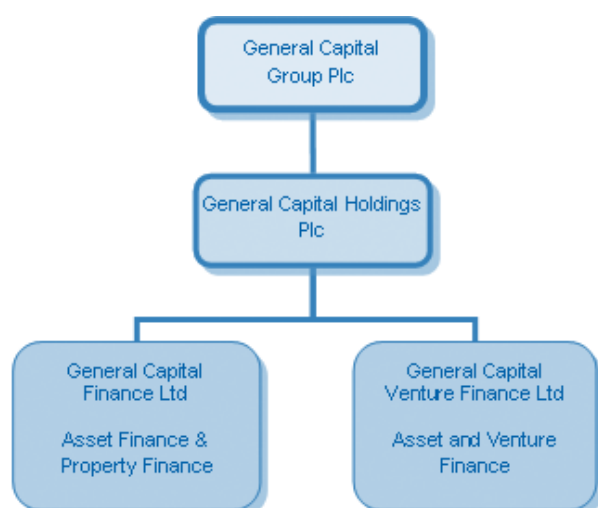
Introduction

The period under review has been the most successful and transformational year in the Group's history, with record profits and a smooth step up to the Alternative Investment Market as two of our most significant highlights.

We considered our fund raising options for some time and a reversal onto AiM became the obvious choice for us. We were able to execute the deal swiftly and the small funds raised provided capacity for us to accelerate our portfolio growth. I am delighted to report that this portfolio growth has been in line with our expectations and performance across all areas of the business since listing has been highly encouraging.

Group structure

General Capital is organised into three trading divisions, split across two principal subsidiary companies, as shown below. The Group structure has been further extended as a result of the reverse acquisition in September 2006, which has seen a new holding company join the Group.



The Group's administration is centralised into one office and one central portfolio management system is utilised across the Group.

Divisional review

Asset Finance

This division continues to grow although the rate of growth was slightly behind our expectations for the full year. Our Asset Finance Division is the core to our business and provides the greatest risk diversification across our portfolio.

The portfolio was at £12.6m at 31 December 2006 and comprised circa 900 agreements with an average term of 36 months.

The Asset Finance portfolio continues to provide attractive and predictable returns with yields of 16-20%. Business is introduced to us from our network of UK brokers and whilst we continue to attract business directly and via relationships with equipment suppliers and other professional intermediaries we see brokers as our preferred route to market.

Managing director's statement for the year ended 31 December 2006

Our acquisition of Norton Folgate in early 2007 sits firmly alongside our Asset Finance Division and the increased deal flow that this acquisition provides will mean that we can continue to 'cherry pick' deals to grow the portfolio, at the same time benefiting from fee income on the deals which sit outside the Group's risk / return matrix.

Our continued strategy is for the Asset Finance Division to represent 40% of the overall Group loan portfolio.

Property Finance

During early 2006 we appointed Robert Gurney as our divisional Director of Property Finance, having spent some time trying to identify a suitable candidate. Robert is a qualified chartered accountant who has spent the majority of his career, prior to joining General Capital, within the property sector. He now heads what was an already well established specialist property finance team and the property portfolio has grown to £6.4m at 31 December 2006.

Our stance on property lending has traditionally been very conservative and this has been evidenced by the zero bad debt record within this division since inception. The Property Finance portfolio comprises circa 33 agreements with an average term of less than one year. Interest rates are attractive at, on average, 16-18% per annum and opportunistic fees and exit profits push the yield on this portfolio to circa 20%.

The property portfolio adds an attractive risk diversification to the Group and we will seek to grow this division to represent 20% of the overall Group loan portfolio. Credit risk will not be sacrificed to achieve this growth however and we will continue with our conservative underwriting stance.

Venture Finance

Our Venture Finance division has continued to grow ahead of expectations and transaction flow is at record levels. The division has been trading for over 5 years now and has built a track record of quality lending supplemented by opportunistic fees and more and more regular exit profits and investment realisations.

As at 31 December 2006, the Venture Finance portfolio was 14.3m and comprised circa 100 agreements with an average term of between 12 and 18 months.

Our venture finance exposures are generally larger than our asset finance exposures, typically around £350k and often involve complex deal structuring at the front end. All loan documentation is executed by our lawyers and a typical venture finance transaction will involve multiple security arrangements. In all but a few of our largest exposures the group is the primary ranked creditor and this degree of security and control is of utmost importance in our influence on our clients activities.

Interest income on this portfolio is supplemented with up front fees, exit fees, monitoring fees and, in certain circumstances non executive directorship fees in addition to any equity up side that we are able to negotiate alongside our debt facility. Venture Finance offers the greatest yields of all our divisions.

Our ability to appraise transactions and execute them swiftly differentiates us from our competition and it is this which means that we can continue to 'cherry pick' deals and execute only on those which offer the most appropriate security arrangements and profit potential.

We continue to expand this division and our long term strategy is for Venture Finance to represent 40% of the overall Group loan portfolio.

Managing director's statement for the year ended 31 December 2006

Outlook

With another successful year behind us and increasing new business demand, we look forward to 2007 with confidence. We will continue to balance the portfolio across our three lending divisions and look forward to growth in all core areas of our activities.

Since the year end, the Group has continued to trade in line with our expectations.

Mark Edworthy
Managing Director

27 June 2007

Directors' report for the year ended 31 December 2006

The directors present their report and the audited financial statements for the year ended 31 December 2006 for the group and for the nine months ended 31 December 2006 for the company.

Principal activities

The principal activity of the group is the provision of finance. The core activities of the group are divided into three divisions; commercial asset finance, property finance and venture finance.

Principal risks and uncertainties

Credit and fraud risk: The group is exposed to the risk that clients owing the group money will not fulfil their obligations. The group regularly reviews its credit exposure for all clients however default risk may arise from events or circumstances which are outside the group's control, primarily client underperformance, adverse economic conditions and fraud.

Inadequate security: The group is exposed to the risk that security upon which its advances are made may reduce in value, so that the group may not recover some or all of its advances in an event of default. This risk is mitigated by (i) maintaining a diverse portfolio of clients, (ii) spreading risk across a variety of assets and sectors and (iii) forming detailed assessments on both the value of the security and the clients ability to service the debt at the time the loan advance is made, and during the period of the loan. Specialist third party valuations are obtained where considered necessary.

Availability of capital: The group relies on bank funding lines provided by Bank of Scotland Plc and N M Rothschild & Sons Ltd, in addition to smaller levels of mezzanine debt provided in the form of subordinated loan notes and preference shares. The group has had a successful relationship with these debt providers for a number of years and has, as noted elsewhere within these accounts, committed bank facilities until 2010. Continued sustainable growth will mean that the group will have to seek further debt facilities, above those already in place. Further equity may also be required to support accelerated growth and / or acquisitions.

Financial instruments

The group's financial instruments comprise bank borrowings, subordinated loan notes and a combination of redeemable and non-redeemable preference shares. The main purpose of these financial instruments is to raise finance for the group's principal activities.

The main risks arising from the group's financial instruments are interest rate risk and liquidity risk. The board reviews and agrees policies for managing each of these risks and they are summarised below.

Interest rate risk: The group finances its operations through a mixture of the financial instruments referred to above and its retained profits. The group manages a portfolio of fixed and floating rate financial liabilities which are reviewed regularly by the board.

The group debtor portfolio contains natural hedges against interest rate movements in so far as it is predominately a short term portfolio in addition to the fact that certain of the group's lending is at floating rate.

Directors' report for the year ended 31 December 2006

Liquidity risk: As the group's activities and lending portfolio continue to grow new funding is sourced at appropriate intervals. During the year and shortly after the year end the group extended its bank facilities from £20m to £40m. The group has also raised further working capital via the issue of new shares in March 2007.

Review of business

The consolidated profit and loss account for the period is set out on page 17. Further commentary on the financial performance of the group, including its key performance indicators and future developments can be seen in the Chairman's Statement on pages 5 to 7 and the Managing Director's report on pages 8 to 10.

The group has traded in line with expectations and the directors expect the level of business to improve during the forthcoming year.

Post balance sheet events

Further to an Extraordinary General Meeting held on 29 March 2007, General Capital Group Plc completed the following significant transactions:

Equity placing: The Company issued a further 7,692,400 new Ordinary shares of £0.90 each, representing approximately 46.3 per cent of the Company's issued share capital immediately prior to the placing. The placing price was £1.30 per share and gross proceeds from the placing were £10,000,120.

Acquisition: The Company acquired the entire issued share capital of Norton Folgate FG Plc, an asset finance broker based in Hertford. Consideration comprised the issue of 812,307 new Ordinary shares of £0.90 each and £1.294m in cash.

Funding: The Group extended its senior debt facilities from £30m to £40m, with a further £10m provided by Bank of Scotland Plc. The facilities were renewed in March 2007 for a further three years.

Loan note repayment: The Group repaid a £1.2 million 9 per cent loan note held by Gotelee (General Capital) Ltd out of the proceeds of the placing. The loan note was repaid on 2 April 2007.

In addition to the above the Group has also transacted the following, post year end:

Investment disposal: The Group disposed of its entire shareholding in Greatfleet Plc on 7 June 2007 for £1.6m. The shares were acquired for £0.5m and upon realisation of this gain the Group will transfer £1.1m (before tax) from its capital reserve to its profit and loss account.

Results and dividends

The consolidated profit for the year ended 31 December 2006 is set out in the profit and loss account on page 17. Dividends paid on preference shares held within the immediate subsidiary undertaking General Capital Holdings Plc are detailed in note 9 to the financial statements. The directors do not recommend the payment of a dividend on ordinary shares.

Directors and their interests

The directors of the company at 31 December 2006, all of whom have been directors for the whole year ended on that date, except where stated, are listed on page 3.

Directors' report for the year ended 31 December 2006

The under mentioned directors had the following beneficial interests in the ordinary shares of the company and its subsidiary, as follows:

	The company: General Capital Group Plc (formerly Clan Homes Plc) ordinary shares of £0.90 each		The subsidiary: General Capital Holdings Plc (formerly General Capital Group Plc) ordinary shares of £1.00 each	
	31 Dec 06	31 Dec 05	31 Dec 06	31 Dec 05
	Number	Number	Number	Number
D M J Hickey	100,000	100,000	-	-
A D Thomson (resigned 14 September 2006)	239,732	239,732	-	-
A J Scott-Barrett *	1,668,303	-	-	2,825
J C Hill *	4,542,504	-	-	8,800
M D Edworthy	3,407,671	-	-	6,200
N L Marsham	-	-	-	-

On 14 September 2006 General Capital Group Plc (formerly Clan Homes Plc) acquired the entire ordinary issued share capital of General Capital Holdings Plc (formerly General Capital Group Plc) via a share for share exchange. The directors' interests in the shares of both companies has been disclosed above.

Creditor payment policy

It is the group's policy to pay creditors in accordance with contractual obligations. Trade creditor days of the group for the year ended 31 December 2006 were 19 days (2005: 16 days) based on the ratio of trade creditors at the end of the year to the amounts invoiced during the year by trade creditors. Trade creditor days of the company for the period ended 31 December 2006 were 46 days (2005: 0 days) based on the ratio of trade creditors at the end of the year to the amounts invoiced during the year by trade creditors.

Statement of disclosure of information to auditors

The directors who were in office at the date of approval of these financial statements have confirmed:

- so far as the directors are aware, there is no relevant audit information of which the auditors are unaware; and
- 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 auditors are aware of that information.

Statement of directors' responsibilities

The directors are responsible for preparing the annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Directors' report for the year ended 31 December 2006

The directors are responsible for preparing financial statements for each financial year which give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the group and the company 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 the going concern basis unless it is inappropriate to presume that the group will continue in business.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the group and the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the group and 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 General Capital Group Plc website.

The work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the information contained in the financial statements since they were initially presented on the website.

Auditors

Baker Tilly were appointed auditors to the company during the year. A resolution to reappoint Baker Tilly UK Audit LLP as auditors will be put to the members at the annual general meeting. The directors, having been notified of the cessation of the partnership known as Baker Tilly, resolved that Baker Tilly UK Audit LLP be appointed as successor auditor with effect from 1 April 2007, in accordance with the provisions of the Companies Act 1989, s26(5). Baker Tilly UK Audit LLP has indicated its willingness to continue in office.

By order of the Board

N L Marsham
Company secretary

Independent auditor's report to the members for the year ended 31 December 2006

We have audited the financial statements on pages 17 to 43.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the group overview, company information, chairman's statement, managing director's statement and directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, the group or company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the group overview, company information, the chairman's statement, the managing directors statement and the directors report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit 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 directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's and 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 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.

Independent auditor's report to the members for the year ended 31 December 2006

Opinion

In our opinion the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the group's and parent company's affairs as at 31 December 2006 and of the group's profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985; and the information given in the directors' report is consistent with the financial statements.

Baker Tilly UK Audit LLP	Abbotsgate House
Registered Auditor	Hollow Road
Chartered Accountants	Bury St Edmunds
	Suffolk
27 June 2007	IP32 7FA

Consolidated profit and loss account for the year ended 31 December 2006

	Notes	31 Dec 06	31 Dec 05 (restated)
		£	£
Turnover : continuing operations £8,086,932 : acquisitions £0		8,086,932	6,148,936
Cost of sales		(1,819,090)	(1,601,014)
Gross profit		6,267,842	4,547,922
Direct costs		(731,354)	(400,853)
Administrative expenses		(4,208,747)	(3,153,879)
Operating profit : continuing operations £1,384,855 : acquisitions (£57,114)	2	1,327,741	993,190
Interest receivable	5	2,570	3,791
Interest payable (including amounts on preference shares of £258,470 (2005: £135,638))	6	(290,499)	(147,487)
Profit on ordinary activities before taxation		1,039,812	849,494
Tax on profit on ordinary activities	7	(516,994)	(347,364)
Profit for the financial year		522,818	502,130
Basic and diluted earnings per share (pence)	10	3.56	4.02

The notes on pages 23 to 43 form part of these financial statements

Consolidated statement of total recognised gains and losses for the year ended 31 December 2006

	Notes	31 Dec 06	31 Dec 05
		£	£
Profit for the financial year		522,818	502,130
Unrealised gain on investments	28	1,730,270	1,075,000
Provision for deferred tax on revaluation	8	(519,081)	(322,500)
Total gains and losses recognised since the last annual report		1,734,007	1,254,630

Consolidated balance sheet as at 31 December 2006

	Notes	31 Dec 06	31 Dec 05 (restated)
		£	£
Fixed assets			
Intangible assets	11	3,638,824	2,873,207
Tangible assets	12	454,259	477,538
Investments	14	30,000	57,356
		4,123,083	3,408,101
Current assets			
Debtors : amounts receivable within one year	16	19,121,755	12,431,035
Debtors : amounts receivable after more than one year	16	14,602,243	11,620,377
Investments	19	5,837,725	1,649,477
Cash at bank		219,345	246,193
		39,781,068	25,947,082
Creditors: Amounts falling due within one year	20	(32,550,439)	(24,489,658)
Net current assets		7,230,629	1,457,424
Creditors: amounts falling due after more than one year	21	(3,449,583)	(3,065,644)
Total assets less liabilities		7,904,129	1,799,881
Provisions for liabilities	8	(410,230)	-
Net assets		7,493,899	1,799,881
Capital and reserves			
Called up equity share capital	25	14,965,502	21,700
Share premium account	28	186,461	120,800
Capital reserve	28	1,963,689	752,500
Profit and loss account	28	1,427,699	904,881
Reverse acquisition reserve	28	(11,049,452)	-
Shareholders' funds	29	7,493,899	1,799,881

The financial statements on pages 17 to 43 were approved by the board of directors and authorised for issue on 27 June 2007 and were signed on its behalf by:

J C Hill

M D Edworthy

The notes on pages 23 to 43 form part of these financial statements

Consolidated cash flow statement for the year ended 31 December 2006

Consolidated cash flow statement

	Notes	31 Dec 06	31 Dec 05 (restated)
		£	£
Cash outflow from operating activities	31	(10,095,820)	(1,828,639)
Returns on investments and servicing of finance	32	(273,429)	(143,696)
Taxation		(437,234)	(633,218)
Capital expenditure and financial investment	32	(200,311)	(507,506)
Acquisitions and disposals	32	159,101	-
Financing	32	11,535,937	2,437,721
Increase / (decrease) in cash in the period		688,244	(675,338)

Reconciliation of net cash flow to movement in debt

	Notes	31 Dec 06	31 Dec 05 (restated)
		£	£
Increase / (decrease) in cash in the period		688,244	(675,338)
Increase in bank loans		(9,383,333)	(1,990,000)
Repayment of loan notes		1,800,000	-
Capital element of hire purchase payments		102,720	52,279
Change in net debt resulting from cash flows		(6,792,369)	(2,613,059)
New hire purchase agreements		(44,460)	(147,270)
		(6,836,829)	(2,760,329)
Opening net debt		(23,750,841)	(20,990,512)
Closing net debt	33	(30,587,670)	(23,750,841)

The notes on pages 23 to 43 form part of these financial statements

Company balance sheet as at 31 December 2006

	Notes	31 Dec 06	31 Mar 06
		£	£
Fixed assets			
Tangible assets	13	-	40,000
Investments	15	13,844,751	-
		13,844,751	40,000
Current assets			
Debtors: amounts receivable within one year	16	-	4,300
Debtors: amounts receivable after more than one year	16	2,690,920	-
Cash at bank		70,176	1,030,636
		2,761,096	1,034,936
Creditors : Amounts falling due within one year	20	(185,065)	(26,657)
Net current assets		2,576,031	1,008,279
Net assets		16,420,782	1,048,279
Capital and reserves			
Called up equity share capital	25	14,965,502	972,589
Share premium account	27	186,461	54,250
Merger reserve	27	1,300,000	-
Revaluation reserve	27	-	9,700
Profit and loss account	27	(31,181)	11,740
Shareholders' funds		16,420,782	1,048,279

The financial statements on pages 17 to 43 were approved by the board of directors and authorised for issue on 27 June 2007 and were signed on its behalf by:

J C Hill

M D Edworthy

The notes on pages 23 to 43 form part of these financial statements

Company note of historical cost profits and losses for the period ended 31 December 2006

	Notes	31 Dec 06	31 Mar 06
		£	£
Loss on ordinary activities before taxation	27	(69,755)	(16,887)
Realisation of property valuation gains of previous years	27	9,700	-
Historical cost profit on ordinary activities before taxation		(60,055)	(16,887)

Notes to the financial statements for the year ended 31 December 2006

1 Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain assets, and in accordance with applicable accounting standards, with the exception of the accounting treatment for the reverse acquisition of General Capital Group Plc (formerly Clan Homes Plc), details of which are set out below.

The company has taken advantage of the exemption under Section 230 of the Companies Act 1985, from the need to publish its own profit and loss account. The company generated a loss before taxation of £69,755 for the nine month period to 31 December 2006, compared to a loss of £16,887 for the twelve months ended 31 March 2006.

Basis of consolidation and presentation of financial information

On 14 September 2006 the company, then named Clan Homes Plc, became the legal parent company of General Capital Group Plc (now General Capital Holdings Plc). Due to the relative values of the companies, the former General Capital Group Plc shareholders became the majority shareholders with 93.4% of the enlarged share capital. Further, the company's continuing operations and executive management were those of General Capital Group Plc. Accordingly, the substance of the combination was General Capital Group Plc acquired Clan Homes Plc in a reverse acquisition. As part of the business combination Clan Homes Plc changed its name to General Capital Group Plc and changed its year end to 31 December.

Under the requirements of the Companies Act 1985 it would normally be necessary for the company's consolidated accounts to follow the legal form of the business combination. In that case the pre-combination results would be those of Clan Homes Plc. The results of General Capital Group Plc would then be brought into the group from 14 September 2006. However, this would portray the combination as an acquisition of General Capital Group Plc by Clan Homes Plc and would, in the opinion of the directors, fail to give a true and fair view of the substance of the business combination. Accordingly, the directors have adopted reverse acquisition accounting as the basis of consolidation in order to give a true and fair view.

In invoking the true and fair override the directors note that reverse acquisition accounting is endorsed under International Financial Reporting Standard 3 and that the Urgent Issues Task Force of the UK's Accounting Standards Board considered the subject and concluded that there are instances where it is right and proper to invoke the true and fair override in such a way.

As a consequence of applying reverse acquisition accounting, the results for the year ended 31 December 2006 comprise the results of General Capital Group Plc for its year ended 31 December 2006 plus those of Clan Homes Plc from 14 September 2006, the date of the reverse acquisition, to 31 December 2006. The comparative figures are those of General Capital Group Plc for the year ended 31 December 2005. The balance sheet as at 31 December 2005 reflects the Group structure prior to the reverse acquisition and the capital structure is that of General Capital Holdings Plc (formerly General Capital Group Plc).

The company information included in these financial statements relates to General Capital Group Plc (formerly Clan Homes Plc). This company is the legal parent company although under reverse acquisition accounting it is deemed to be a subsidiary company of General Capital Holdings Plc (formerly General Capital Group Plc).

As set out in note 30 goodwill amounting to £99,049 arose on the difference between the fair value of Clan Homes Plc's share capital and the fair value of its net assets at the reverse acquisition date. Transaction costs of £844,751 have been added to the cost of goodwill which was therefore, in total, £943,800.

Notes to the financial statements for the year ended 31 December 2006

The effects on the consolidated financial statements of adopting reverse acquisition accounting, rather than following the legal form, are widespread. However the following table indicates the principal effect on the composition of reserves.

	Reverse acquisition accounting (as disclosed)	Normal acquisition accounting	Impact of reverse acquisition accounting
	£	£	£
Called up share capital	14,965,502	14,965,502	-
Share premium account	186,461	1,486,461	(1,300,000)
Capital reserve	1,963,689	1,498,924	464,765
Profit and loss account	1,427,699	223,656	1,204,043
Reverse acquisition reserve	(11,049,452)	-	(11,049,452)
	7,493,899	18,174,543	(10,680,644)

Turnover

Turnover represents interest earned in respect of loan, hire purchase and finance lease agreements, and is credited to the profit and loss account over the period of the agreement in proportion to the capital outstanding.

Turnover also includes gains on the sale of shares, fees and other amounts charged to clients in respect of the group's lending activities.

Goodwill

Goodwill arising on consolidation is capitalised on the balance sheet and amortised through the profit and loss account on a straight line basis over a period of 20 years, which is the directors' estimate of its useful economic life.

Depreciation

Depreciation is provided on all tangible fixed assets at rates calculated to write off the assets over their anticipated useful lives as follows:

Furniture and equipment	Straight line over 4-5 years
Motor vehicles	25% reducing balance / straight line over 4 years
Computer equipment	Straight line over 4-5 years

Hire purchase agreements

Assets held under hire purchase agreements with third parties are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future repayments is treated as a liability and the interest is charged to the profit and loss account over the period of the agreement in proportion to the capital outstanding.

Notes to the financial statements for the year ended 31 December 2006

Operating lease agreements

Costs in respect of operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

Pensions

One subsidiary undertaking operates a money purchase pension scheme for employees. The assets of the scheme are held separately from those of the company in independently administered funds. The annual contributions payable by the group are charged to the profit and loss account.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax.

Provision is made for tax on gains arising from the revaluation of current assets, on the basis that these assets are held for resale.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

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

Fixed asset investments

Fixed asset investments are included at cost.

Current asset investments

The group has adopted the alternative accounting rules in respect of the revaluation of current asset investments. Quoted company investments are valued at market value. Non quoted company investments are valued at cost unless there is a readily ascertainable market value. The directors consider that, of the non quoted investments held at 31 December 2006, there is no readily ascertainable market value and therefore the investments have been valued at cost.

Gains arising from the revaluation of current asset investments are credited to the capital reserve. Upon realisation of the gain, the amount is transferred to the profit and loss account.

Bad and doubtful debts

Provisions for bad and doubtful debts are based on the directors' appraisal of all loans and advances. Specific provisions are made in respect of all identified potentially impaired advances and are based on estimated realisable values. General provisions are made in respect of losses which are not yet specifically identified.

Notes to the financial statements for the year ended 31 December 2006

Prior year adjustment

Bad debts totalling £683,991, which were disclosed as an exceptional item in the financial statements for the year ended 31 December 2005, have been included within administrative expenses within the profit and loss comparatives in these financial statements. The directors do not consider the items to be exceptional in their nature. The adjustment is a profit and loss account reclassification only and there is no effect on profit.

Financial instruments

Financial assets and liabilities are recognised on the group's balance sheet when the group has become a party to the contractual provisions of the instrument.

Arrangement fees in respect of financial liabilities, specifically bank loans, are deducted from the liability recorded in the balance sheet and are amortised over the life of the relevant financial instrument.

2 Operating profit

Operating profit is stated after charging:	31 Dec 06	31 Dec 05
	£	£
Depreciation – owned assets	131,465	44,893
Depreciation – assets held under hire purchase agreements	40,553	43,788
Profit on disposal of fixed assets	8,695	(6,496)
Amortisation of goodwill on consolidation	178,183	162,457
Operating lease rentals – land and buildings	182,006	97,185
Auditors remuneration for:		
- Audit services	43,500	14,150
- Taxation	1,375	3,250
- Other	11,940	14,574

Of the total auditors remuneration above £7,000 was payable to Baker Tilly UK Audit LLP. The remaining 2006 auditors remuneration was payable to Baker Tilly.

In addition to the above amounts charged to operating profit, £120,000 was payable to Baker Tilly in respect of corporate finance services. This amount has been capitalised as part of the acquisition cost shown in note 30.

3 Employee information

The average monthly number of persons employed during the year, including directors, was:

	31 Dec 06	31 Dec 05
Administration	11	9
Management	10	8
Directors	5	5
	26	22

Notes to the financial statements for the year ended 31 December 2006

Staff costs (for the above persons)	31 Dec 06	31 Dec 05
	£	£
Wages and salaries	1,433,533	1,056,084
Social security costs	186,109	119,459
Pension costs	30,645	38,096
	1,650,287	1,213,639

4 Directors' emoluments

The directors' aggregate emoluments in respect of qualifying services were:

	31 Dec 06	31 Dec 05
	£	£
Emoluments and benefits	410,673	522,878
Compensation for loss of office	23,000	-
	433,673	522,878
Emoluments of highest paid director:		
Total emoluments	214,406	120,184

No director is accruing benefits under the group's pension scheme (2005 £Nil).

5 Interest receivable

	31 Dec 06	31 Dec 05
	£	£
Bank interest receivable	2,570	3,791

6 Interest payable

	31 Dec 06	31 Dec 05
	£	£
Interest payable on bank loans and overdrafts (within cost of sales)	1,812,423	1,601,014
Hire purchase interest	10,739	11,849
Other interest	21,290	-
Preference dividends classified as interest under FRS 25	258,470	135,638
	290,499	147,487

Notes to the financial statements for the year ended 31 December 2006

7 Taxation on ordinary activities

7 (a) Analysis of tax charge in the year	31 Dec 06	31 Dec 05
	£	£
Current tax:		
UK corporation tax on the profits of the year	456,639	417,359
Adjustments in respect of previous periods	34,109	(20,041)
Total current tax	490,748	397,318
Deferred tax:		
Movement in deferred and accelerated capital allowances	26,246	(49,954)
Total deferred tax	26,246	(49,954)
Current tax charge for the year	516,994	347,364

7 (b) Factors affecting the tax charge for the year	31 Dec 06	31 Dec 05
	£	£
Taxation charge at 30%	311,944	254,848
Effects of:		
Expenses not deductible for tax purposes	174,208	100,693
Capital allowances less than depreciation	(26,246)	74,388
Other differences	(3,267)	(11,960)
Marginal relief	-	(610)
Adjustments in respect of previous periods	34,109	(20,041)
Current tax charge for the year	490,748	397,318

8 Deferred tax

Deferred tax recognised in the financial statements:	Group		Company	
	31 Dec 06	31 Dec 05	31 Dec 06	31 Mar 06
	£	£	£	£
At the beginning of the year / period	135,097	408,306	-	-
Movement for the year / period	(26,246)	49,954	-	-
Addition on acquisition	-	(663)	-	-
Provision on revaluation	(519,081)	(322,500)	-	-
Deferred tax (liability) / asset	(410,230)	135,097	-	-

Deferred tax provided for is as follows:	Group		Company	
	31 Dec 06	31 Dec 05	31 Dec 06	31 Mar 06
	£	£	£	£
Excess of depreciation over tax allowances	431,351	457,597	-	-
Provision on revaluation	(841,581)	(322,500)	-	-
	(410,230)	135,097	-	-

Notes to the financial statements for the year ended 31 December 2006

9 Dividends on preference shares classified as interest under FRS 25

	31 Dec 06	31 Dec 05
	£	£
Amounts payable	258,470	135,638
	258,470	135,638

10 Earnings per share

On 14 September 2006, being the date of the reverse acquisition, 22,570 ordinary shares in General Capital Holdings Plc were exchanged, at a price of £576 per share, for 13,000,000 ordinary shares in General Capital Group Plc. Therefore in determining the weighted average number of shares in issue during this year, and during the preceding financial year, the number of shares in issue within General Capital Holdings Plc has been substituted with an equivalent number of shares in General Capital Group Plc, at a ratio of £576 per share. The directors consider that this approach gives a more comparable earnings per share calculation.

Earnings	31 Dec 06	31 Dec 05
	£	£
Earnings attributable to equity shareholders	522,818	502,130

Weighted average number of shares	31 Dec 06	31 Dec 05
	Number	Number
Weighted average number of ordinary shares	14,686,623	12,498,892

On 29 March 2007 the Company issued a further 8,504,707 Ordinary shares of £0.90 each, 7,692,400 via a placing and 812,307 as consideration shares for the acquisition of Norton Folgate FG Plc

11 Intangible fixed assets - the group

	Goodwill
	£
Cost	
At 1 January 2006	3,248,762
Additions	943,800
At 31 December 2006	4,192,562
Amortisation	
At 1 January 2006	375,555
Charge for the year	178,183
At 31 December 2006	553,738
Net book value	
At 31 December 2006	3,638,824
At 31 December 2005	2,873,207

Notes to the financial statements for the year ended 31 December 2006

12 Tangible fixed assets - the group

	Freehold property	Motor vehicles	Equipment	Total
	£	£	£	£
Cost / valuation				
At 1 January 2006	-	302,080	416,188	718,268
Additions	-	49,316	175,351	224,667
Additions on acquisition	40,000	-	-	40,000
Disposals	(40,000)	(123,508)	(92,702)	(256,210)
At 31 December 2006	-	227,888	498,837	726,725
Depreciation				
At 1 January 2006	-	110,589	130,141	240,730
Charge for the year	-	54,442	117,576	172,018
On disposals	-	(63,118)	(77,164)	(140,282)
At 31 December 2006	-	101,913	170,553	272,466
Net book value				
At 31 December 2006	-	125,975	328,284	454,259
At 31 December 2005	-	191,491	286,047	477,538

Included within the net book value of £454,259 is £118,475 (2005: £156,019) in relation to assets held under hire purchase agreements.

13 Tangible fixed assets – the company

	Freehold Property
	£
Valuation	
At 1 April 2006	40,000
Disposals	(40,000)
At 31 December 2006	-
Depreciation	
At 1 April 2006 and 31 December 2006	-
Net book value	
At 31 December 2006	-
At 31 March 2006	40,000

Notes to the financial statements for the year ended 31 December 2006

14 Fixed asset investments – the group

	Other investments
	£
Cost	
At 1 January 2006	57,356
Transfer to current asset investments	(27,356)
At 31 December 2006	30,000
Depreciation	
At 1 January 2006 and 31 December 2006	-
Net book value	
At 31 December 2006	30,000
At 31 December 2005	57,356

The group owns a 50% interest in the following:

Company	Country of incorporation	Nature of business
Nationwide Taxi Finance Ltd	England and Wales	Provision of finance

Nationwide Taxi Finance Ltd has been excluded from the consolidated financial statements on the basis of immateriality. The last accounts filed at Companies House were abbreviated and were in respect of the year ended 31 May 2005. As at 31 May 2005 Nationwide Taxi Finance Ltd had shareholders funds of (£13,072) (2004: (£13,246)).

15 Fixed asset investments – the company

	Subsidiary undertakings
	£
Cost	
At 1 April 2006	-
Additions	13,844,751
At 31 December 2006	13,844,751
Depreciation	
At 1 April 2006 and 31 December 2006	-
Net book value	
At 31 December 2006	13,844,751
At 31 March 2006	-

The subsidiary company at 31 December 2006, which is 100% owned is:

Company	Country of incorporation	Nature of business
General Capital Holdings Plc	England and Wales	Holding company

Notes to the financial statements for the year ended 31 December 2006

General Capital Holdings Plc has the following subsidiaries which are 100% owned:

Company	Country of incorporation	Nature of business
General Capital Venture Finance Ltd	England and Wales	Provision of finance
General Capital Finance Ltd	England and Wales	Provision of finance
General Capital Investments Ltd	England and Wales	Dormant
General Capital Asset Finance Ltd	England and Wales	Dormant
General Capital Property Finance Ltd	England and Wales	Dormant
Norfolk & Suffolk Finance Ltd	England and Wales	Dormant

16 Debtors

	Group		Company	
	31 Dec 06	31 Dec 05	31 Dec 06	31 Mar 06
Amounts receivable within one year:	£	£	£	£
Trade debtors	19,018,096	12,163,213	-	-
Amounts owed by group undertakings	-	-	-	-
Deferred tax	-	135,097	-	-
Other debtors	103,659	132,725	-	4,300
	19,121,755	12,431,035	-	4,300
Amounts receivable after more than one year:				
Trade debtors	14,602,243	11,620,377	2,690,920	-

17 Investment in finance leases

	Group		Company	
	31 Dec 06	31 Dec 05	31 Dec 06	31 Mar 06
	£	£	£	£
Gross investment	14,344,278	13,516,811	-	-
Less charges allocated to future periods	(2,866,134)	(2,955,376)	-	-
Net investment	11,478,144	10,561,435	-	-
Cost of assets acquired for letting under finance leases	7,517,031	7,016,540	-	-
Aggregate rentals receivable under finance leases	9,393,929	8,408,553	-	-

Notes to the financial statements for the year ended 31 December 2006

18 Investment in hire purchase contracts

	Group		Company	
	31 Dec 06	31 Dec 05	31 Dec 06	31 Mar 06
	£	£	£	£
Gross investment	4,900,803	6,107,329	-	-
Less charges allocated to future periods	(787,521)	(951,203)	-	-
Net investment	4,113,282	5,156,126	-	-

19 Current asset investments

	Group		Company	
	31 Dec 06	31 Dec 05	31 Dec 06	31 Mar 06
	£	£	£	£
Listed investments at market value	3,756,059	1,575,000	-	-
Unlisted investments at cost less provision for loss	2,081,666	74,477	-	-
	5,837,725	1,649,477	-	-

The group owns greater than 20% of the following:

Company	Nature of business	Holding	Capital and reserves	Profit for the year
Greatfleet Plc	Recruitment	20.72%	2,318,261	26,051
Green Earth Ltd	Holding company	100%	-	-

The results of Greatfleet Plc are extracted from the six month interim accounts to 30 June 2006, as announced on the London Stock Exchange on 14 September 2006.

Green Earth Ltd was incorporated on 29 September 2006 and remained dormant as at 31 December 2006. The company was incorporated to facilitate a transaction with a client company in January 2007, at which point the group's shareholding was diluted. Green Earth Ltd has not yet produced any statutory accounts.

Neither company has been treated as an associate within the financial statements, on the basis that they represent short term investments within client companies and are held for resale.

Notes to the financial statements for the year ended 31 December 2006

20 Creditors: Amounts falling due within one year

	Group		Company	
	31 Dec 06	31 Dec 05 (restated)	31 Dec 06	31 Mar 06
	£	£	£	£
Bank overdraft	118,145	833,237	-	17,547
Bank loans	29,383,333	20,000,000	-	-
Trade creditors	1,153,974	583,067	117,500	-
Corporation tax	456,639	403,125	-	-
Other taxation and social security	24,255	145,042	-	360
Hire purchase agreements (secured on the assets)	61,353	73,552	-	-
Other creditors	13,458	227,037	-	-
Loan notes	-	1,800,000	-	-
2006 preference dividends	4,500	-	-	-
Accruals and deferred income	534,782	424,598	67,565	8,750
Preference shares classified as liabilities (note 26)	800,000	-	-	-
	32,550,439	24,489,658	185,065	26,657

The bank loans and overdraft are secured by a debenture over the assets of the group.

Analysis of bank loans

	Group		Company	
	31 Dec 06	31 Dec 05	31 Dec 06	31 Mar 06
	£	£	£	£
Bank loans	29,650,000	20,000,000	-	-
Less: unamortised loan arrangement fees	(266,667)	-	-	-
	29,383,333	20,000,000	-	-

The bank loans comprise two three year revolving credit facilities provided by Bank of Scotland Plc and N M Rothschild & Sons Ltd, ranked pari passu and attract interest at 175 basis points over bank base rate / LIBOR.

Prior year adjustment

Bank loans as at 31 December 2005 have been reclassified within these financial statements as liabilities due within one year, in line with the terms of the facilities at that point in time. The adjustment is a balance sheet reclassification only and there is no effect on profit. The loans were renegotiated and increased from £20,000,000 to £30,000,000 in September 2006, upon the group's listing on AiM. The group has further increased the facilities to £40,000,000 in March 2007.

Notes to the financial statements for the year ended 31 December 2006

21 Creditors: Amounts falling due after more than one year

	Group		Company	
	31 Dec 06	31 Dec 05 (restated)	31 Dec 06	31 Mar 06
	£	£	£	£
Loan notes	1,200,000	1,200,000	-	-
Trade creditors	135,383	135,383	-	-
Hire purchase agreements (secured on the assets)	44,184	90,245	-	-
Preference shares classified as liabilities (note 26)	2,070,016	1,640,016	-	-
	3,449,583	3,065,644	-	-

The loan notes are repayable on or after 1 January 2008 and attract interest at 9%.

22 Financial instruments

The carrying value of all financial assets and liabilities is not considered to be materially different from their fair value. The group does not have any financial assets or liabilities denominated in foreign currencies.

Analysis of financial liabilities:	Group		Company	
	31 Dec 06	31 Dec 05	31 Dec 06	31 Mar 06
	£	£	£	£
Bank overdraft	118,145	833,237	-	-
Bank loans	29,383,333	20,000,000	-	-
Loan notes	1,200,000	3,000,000	-	-
Hire purchase agreements	105,537	163,797	-	-
Preference shares classified as liabilities under FRS 25	2,870,016	1,640,016	-	-
	33,677,031	25,637,050	-	-

Maturity of financial liabilities :	Group		Company	
	31 Dec 06	31 Dec 05	31 Dec 06	31 Mar 06
	£	£	£	£
Within one year, or on demand	30,362,831	22,706,790	-	-
Between one and two years	3,311,437	2,903,361	-	-
Between three and five years	2,763	26,899	-	-
	33,677,031	25,637,050	-	-

The maturity of preference shares has been based on the earliest possible redemption date, taking into account the preference share redemption rights and lock-in deeds signed by shareholders.

Notes to the financial statements for the year ended 31 December 2006

Interest rate profile:	Group		Company	
	31 Dec 06	31 Dec 05	31 Dec 06	31 Mar 06
	£	£	£	£
Floating rate financial liabilities	29,501,478	20,833,237	-	-
Fixed rate financial liabilities	4,175,553	4,803,813	-	-
	33,677,031	25,637,050	-	-

The weighted average interest rate of fixed rate financial liabilities is 9.8% (2005: 8.9%). The weighted average period for which interest rates on the fixed rate financial liabilities are fixed is 10 months (2005: 8 months).

Interest on bank loans is charged at 175 basis points over bank base rate / LIBOR. Interest on overdrafts is charged at 250 basis points over bank base rate.

Analysis of undrawn facilities:	Group		Company	
	31 Dec 06	31 Dec 05	31 Dec 06	31 Mar 06
	£	£	£	£
Bank loans (within one year, or on demand)	350,000	-	-	-
	350,000	-	-	-

23 Financial commitments

At 31 December 2006 the group had annual commitments under operating leases as follows:

	Group		Company	
	31 Dec 06	31 Dec 05	31 Dec 06	31 Mar 06
	£	£	£	£
Land and buildings:				
Expiring within one year	130,200	28,800	-	-
Expiring within two and five years inclusive	-	77,500	-	-
Expiring after five years	56,675	-	-	-
	186,875	106,300	-	-

24 Contingent liabilities

The company provides a corporate guarantee to its subsidiary company General Capital Holdings Plc. As at 31 December 2006 the bank borrowings of General Capital Holdings Plc were £29,768,145 (2005: £20,696,563).

During 2005 the group provided a 5 year debenture secured commercial loan facility to a client company. The terms of this loan provided for an advance of £625,000, repayable by 60 monthly capital and interest instalments of £14,869 and providing the group with an interest rate return of 15%. Simultaneous with this, the group arranged for a third party, unconnected finance company to receive from the client a further 60 monthly capital and interest instalments of £14,869. The interest rate return required by the third party finance company was 10% and therefore the net present value arising under this arrangement was £700,000. Of this amount, £75,000 was payable by the third party finance company to the group as an arrangement fee. The group has agreed to indemnify the third party finance company on a first loss basis against any amounts due from the client company. The maximum liability under this arrangement as at 31 December 2006 was £713,900 (2005: £892,122).

Notes to the financial statements for the year ended 31 December 2006

25 Equity share capital

Authorised	31 Dec 06		31 Mar 06	
	Number	£	Number	£
Ordinary shares of £0.90 each	30,000,000	27,000,000	10,000,000	9,000,000
	30,000,000	27,000,000	10,000,000	9,000,000

Allotted, called up and fully paid	31 Dec 06		31 Mar 06	
	Number	£	Number	£
Ordinary shares of £0.90 each	16,628,335	14,965,502	1,080,654	972,589
	16,628,335	14,965,502	1,080,654	972,589

The above share capital relates to General Capital Group Plc. The comparative share capital structure shown on the consolidated balance sheet is that of General Capital Holdings Plc, as explained in note 1 to the financial statements.

The following shares were issued by the company during the period:

	Number	Nominal value £	Consideration £
14 September 2006 - consideration shares	13,000,000	11,700,000	13,000,000
14 September 2006 - placing shares	2,287,681	2,058,913	2,157,650
21 September 2006 - placing shares	10,000	9,000	11,000
20 October 2006 - placing shares	100,000	90,000	115,000
21 December 2006 - option shares	150,000	135,000	141,474
	15,547,681	13,992,913	15,425,124

On 29 March 2007 the Company issued a further 8,504,707 Ordinary shares of £0.90 each, 7,692,400 via a placing and 812,307 as consideration shares for the acquisition of Norton Folgate FG Plc

26 Preference share capital – the group (classified as liabilities under FRS 25)

The following share capital relates to General Capital Holdings Plc, the immediate subsidiary of the company. The preference shares are held by third parties, outside of the group.

Authorised	31 Dec 06		31 Dec 05	
	Number	£	Number	£
Redeemable A 9% preference shares of £1 each	14,609,984	14,609,984	1,250,000	1,250,000
Redeemable B 12% preference shares of £1 each	1,200,000	1,200,000	-	-
Non redeemable C 9% preference shares of £1 each	390,016	390,016	390,016	390,016
	16,200,000	16,200,000	1,640,016	1,640,016

Notes to the financial statements for the year ended 31 December 2006

Allotted, called up and fully paid	31 Dec 06		31 Dec 05	
	Number	£	Number	£
Redeemable A 9% preference shares of £1 each	1,280,000	1,280,000	1,250,000	1,250,000
Redeemable B 12% preference shares of £1 each	1,200,000	1,200,000	-	-
Non redeemable C 9% preference shares of £1 each	390,016	390,016	390,016	390,016
	2,870,016	2,870,016	1,640,016	1,640,016

During the year General Capital Holdings Plc issued, at par, a further 175,000 Redeemable A preference shares of £1 each. Also, during the year, 145,000 of the Redeemable A preference shares of £1 each were redeemed at par.

During the year the General Capital Holdings Plc issued, at par, 1,200,000 Redeemable B preference shares of £1 each.

The A and B preference shares are redeemable in cash at par by either (i) General Capital Holdings Plc giving not less than one months' notice to the shareholder or (ii) the shareholder giving not less than three months' notice to General Capital Holdings Plc. The shares cannot be redeemed any later than 31 December 2014.

Certain preference shareholders, totalling 980,000 Redeemable A preference shares of £1 each and 700,000 Redeemable B preference shares of £1 each, have agreed lock-in deeds with General Capital Holdings Plc, covenanting not to seek redemption of any class or amount of preference shares prior to 1 January 2008.

27 Reserves – the company

	Share premium	Merger reserve	Revaluation reserve	Profit and loss account
	£	£	£	£
At 1 April 2006	54,250	-	9,700	11,740
New shares issued	132,211	-	-	-
Premium on consideration shares	-	1,300,000	-	-
Loss for the financial period	-	-	-	(52,621)
Transfer between reserves	-	-	(9,700)	9,700
At 31 December 2006	186,461	1,300,000	-	(31,181)

28 Reserves – the group

	Share premium	Capital reserve	Profit and loss account	Reverse acquisition reserve
	£	£	£	£
At 1 January 2006	120,800	752,500	904,881	-
New shares issued	132,211	-	-	-
Capital adjustment for reverse acquisition accounting	(66,550)	-	-	-
Reserve created on reverse acquisition	-	-	-	(11,049,452)
Unrealised gain on investments	-	1,730,270	-	-
Provision for deferred tax on revaluation	-	(519,081)	-	-
Profit for the financial year	-	-	522,818	-
31 December 2006	186,461	1,963,689	1,427,699	(11,049,452)

Notes to the financial statements for the year ended 31 December 2006

29 Reconciliation of movements in shareholders' funds – the group

	Group		Company	
	31 Dec 06	31 Dec 05	31 Dec 06	31 Mar 06
	£	£	£	£
Profit / (loss) for the financial year / period	522,818	502,130	(52,621)	(16,887)
Unrealised gain on investments	1,730,270	1,075,000	-	-
Unrealised loss on fixed assets	-	-	-	(2,000)
Provision for deferred tax on revaluation	(519,081)	(322,500)	-	-
New shares issued post reverse acquisition	14,125,124	-	15,425,124	-
Capital adjustment for reverse acquisition	884,339	-	-	-
Reserve created on reverse acquisition	(11,049,452)	-	-	-
Net addition to shareholders' funds	5,694,018	1,254,630	15,372,503	(18,887)
Opening shareholders' funds	1,799,881	545,251	1,048,279	1,067,166
Closing shareholders' funds	7,493,899	1,799,881	16,420,782	1,048,279

30 Acquisitions

On 14 September 2006, General Capital Holdings Plc (formerly General Capital Group Plc) completed the reverse acquisition of General Capital Group Plc (formerly Clan Homes Plc). The fair value of the assets acquired was as follows:

Net assets acquired (General Capital Group Plc – formerly Clan Homes Plc)	£
Tangible fixed assets	40,000
Cash at bank	1,003,852
Creditors	(8,214)
	1,035,638
Goodwill	943,800
Consideration	1,979,438

Consideration satisfied by :	£
Shares (1,080,654 shares at £1.05 each)	1,134,687
Acquisition expenses	844,751
	1,979,438

The book values and fair values of the assets and liabilities at the date of acquisition were considered to be the same.

Notes to the financial statements for the year ended 31 December 2006

31 Reconciliation of operating profit to net cash inflow / (outflow) from operating activities

	31 Dec 06	31 Dec 05 (restated)
	£	£
Operating profit	1,327,741	993,190
Depreciation	172,018	88,681
Amortisation	178,183	162,457
Loss / (profit) on disposal of fixed assets	8,695	(6,496)
Profit on disposal of investments	(253,552)	-
Provision for loss on investments	492,267	-
Increase in debtors	(12,349,683)	(3,599,301)
Increase in creditors	328,511	532,533
Other non cash movements	-	297
	(10,095,820)	(1,828,639)

32 Notes to the cash flow statement – gross cashflows

Returns on investments and servicing of finance	31 Dec 06	31 Dec 05
	£	£
Interest received	2,570	3,791
Interest element of hire purchase payments	(10,739)	(11,849)
Other interest	(11,290)	-
Preference dividends	(253,970)	(135,638)
	(273,429)	(143,696)

Capital expenditure and financial investment	31 Dec 06	31 Dec 05 (restated)
	£	£
Payments to acquire tangible fixed assets	(180,207)	(274,433)
Receipts from sales of tangible fixed assets	107,233	24,427
Payments to acquire current asset investments	(164,281)	(257,500)
Receipts from the sales of current asset investments	36,944	-
	(200,311)	(507,506)

Acquisitions and disposals	31 Dec 06	31 Dec 05
	£	£
Reverse acquisition expenses	(844,751)	-
Cash acquired on reverse acquisition of parent undertaking	1,003,852	-
	159,101	-

Notes to the financial statements for the year ended 31 December 2006

Financing	31 Dec 06	31 Dec 05 (restated)
	£	£
Issue of ordinary shares	2,825,324	-
Issue of preference shares	1,375,000	500,000
Redemption of preference shares	(145,000)	-
Increase in bank loans	9,383,333	1,990,000
Repayment of loan notes	(1,800,000)	-
Capital element of hire purchase payments	(102,720)	(52,279)
	11,535,937	2,437,721

33 Analysis of debt

	At 1 January 2006 (restated)	Cash flow	Other non cash movements	At 31 December 2006
	£	£	£	£
Cash at bank and in hand	246,193	(26,848)	-	219,345
Overdrafts	(833,237)	715,092	-	(118,145)
	(587,044)	688,244	-	101,200
Debt due within one year	(21,800,000)	(7,583,333)	-	(29,383,333)
Debt due after more than one year	(1,200,000)	-	-	(1,200,000)
Hire purchase agreements	(163,797)	102,720	(44,460)	(105,537)
	(23,750,841)	(6,792,369)	(44,460)	(30,587,670)

Prior year adjustment

Current asset investments and movements there on have been reclassified within the cash flow statement and analysis of net debt note, on the basis that the investments represent holdings in client companies and are held for integral trading purposes rather than short term monetary investment.

34 Related party transactions

The group has taken advantage of the exemption under FRS 8 "Related Party Disclosures" not to disclose intra group transactions.

Mr J C Hill holds the following non-executive directorships in companies where the group has provided finance facilities:

Company	Nature of business	Fees raised during the year £	Debtor as at 31 December 2006 £
Earthport Plc	Information Technology	20,012	15,676
Sabien Technology Group Plc	Energy Efficiency	2,502	2,939
Heliuss Energy Plc	Biomass Energy Production	3,438	4,039

Notes to the financial statements for the year ended 31 December 2006

All fees in respect of services provided by Mr Hill are invoiced by and paid to General Capital Venture Finance Ltd. No balances were outstanding as at 31 December 2005.

Mr R E Q Gurney, a director of General Capital Finance Ltd, holds the following non-executive directorships in companies where the group has provided finance facilities:

Company	Nature of business	Fees raised £	Debtor as at 31 December 2006
Renaissance Properties Ltd	Property	3,333	-

All fees in respect of services provided by Mr Gurney are invoiced by and paid to General Capital Finance Ltd. No balances were outstanding as at 31 December 2005.

35 Transactions with directors

The group paid rent of £25,000 during the year in respect of the property occupied by group. The property is owned by personal pensions held by Mr J C Hill and Mr M D Edworthy.

On 19 January 2006, the group advanced £225,000 to Mr J C Hill. The advance was made on normal commercial terms and the balance of £234,290 was repaid on 24 July 2006.

On 9 October 2003, the group advanced £30,000 to a partnership in which Mr J C Hill is a partner. The advance was made on normal commercial terms and the capital balance outstanding at 31 December 2006 was £20,873 (2005: £25,578).

During the year the group operated a loan account with Mr J C Hill. The balance due to the group at the year end was nil (2005: £32,000). The maximum balance outstanding during the year was £66,935.

During the year the group operated a loan account with Mr M D Edworthy. The balance due to the group at the year end was nil (2005: nil). The maximum balance outstanding during the year was £25,544.

On 8 February 2005, the company advanced £75,000 to Rosewoods Homes Limited, a company with which Mr M Edworthy is a director and shareholder. A further advance of £100,000 was also made on 16 January 2006. The advances were made on normal commercial terms and were both repaid on 18 July 2006.

36 Post balance sheet events

Further to an Extraordinary General Meeting held on 29 March 2007, General Capital Group Plc completed the following significant transactions:

Equity placing: The Company issued a further 7,692,400 new Ordinary shares of £0.90 each, representing approximately 46.3 per cent of the Company's issued share capital immediately prior to the placing. The placing price was £1.30 per share and gross proceeds from the placing were £10,000,120.

Notes to the financial statements for the year ended 31 December 2006

Acquisition: The Company acquired the entire issued share capital of Norton Folgate FG Plc, an asset finance broker based in Hertford. Consideration comprised the issue of 812,307 new Ordinary shares of £0.90 each and £1.294m in cash. The net assets of Norton Folgate FG Plc at 31 December 2006 were £142,049.

Funding: The Group extended its senior debt facilities from £30m to £40m, with a further £10m provided by Bank of Scotland Plc. The facilities were renewed in March 2007 for a further three years.

Loan note redemption: The Group repaid a £1.2 million 9 per cent loan note held by Gotelee (General Capital) Ltd out of the proceeds of the placing. The loan note was repaid on 2 April 2007.

In addition to the above the Group has also transacted the following, post year end:

Investment disposal: The Group disposed of its entire shareholding in Greatfleet Plc on 7 June 2007 for £1.6m. The shares were acquired for £0.5m and upon realisation of this gain the Group will transfer £1.1m (before tax) from its capital reserve to its profit and loss account.

