

085-3270

# INDEX

**IFX Group Limited**

**Report and Financial Statements**

**for the year ended 31 March 2012**



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## **General Information**

Company number	853270
Director	Simon Bird
Secretary	Bibi Ally
Registered address	Park House 16 Finsbury Circus London EC2M 7EB United Kingdom
Locations	Park House 16 Finsbury Circus London EC2M 7EB United Kingdom
Ultimate Parent Company	IPGL Limited Park House 16 Finsbury Circus London EC2M 7EB United Kingdom
Auditor	Deloitte LLP London United Kingdom
Solicitors	Macfarlanes 10 Norwich Street London EC4A 1BD United Kingdom

## **Director's Report**

The Director presents his annual report on the affairs of IFX Group Limited (the "Company"), together with the Financial Statements and Auditor's Report for the year ended 31 March 2012 (the "Financial Statements")

### **Principal activities and review of business**

The principal activity of the Company during the year was to hold investments in subsidiary companies. There have not been any significant changes in the Company's principal activity in the year under review.

The Subsidiary has ceased trading. The Director has prepared the Financial Statements on the basis that the Company is no longer a going concern as the intention is to liquidate the company within the next 12 months. All assets and liabilities are stated at net realisable value.

The immediate parent company is City Index (Holdings) Limited ("CIHL"). The intermediate parent company is City Index Group Limited ("CIGL"). The ultimate parent company and controlling party is IPGL Limited ("IPGL"). The smallest group into which the Company is consolidated is CIHL.

### **Director**

The Director who served during the year, and at the date of this report, is as follows:

Simon Bird

### **Results and dividends**

The profit and loss account for the year is set out on page 6. The profit for the year after taxation amounted to £ Nil (2011: £ 83,000). No dividend was declared or paid to the immediate parent, CIHL (2011: £ Nil).

### **Principal risks and uncertainties**

The Board is responsible for determining and managing the principal risks and uncertainties of the Company and its subsidiaries. This is subject to periodic review, at least annually, and performed in consultation with its shareholders. The Company sought to mitigate its risks through the application of authority limits, internal controls and monitoring processes at both the Company and subsidiary company levels. The Company, through CIHL, its immediate parent company, has a Group Risk and Credit Committee, which meets at least monthly. The main risk is associated with the control of its subsidiary. As the Company and its subsidiary have now ceased operations there is minimal financial risk.

### **Donations**

No charitable or political donations were made during the year (2011: £ Nil).

### **Directors and officers**

The Company has Directors' and Officers' Liability insurance policies which covers its Director and staff.

### **Events since the balance sheet date**

There were no events occurring subsequent to the balance sheet date requiring disclosure in these Financial Statements.

### **Statement of director's responsibilities**

The director is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

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

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

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

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**Director's statement as to disclosure of information to auditor**

The Director who was the sole member of the board at the time of approving the Director's Report is listed above. The Director confirms that

- to the best of the Director's knowledge and belief, there is no audit information (as defined by the Companies Act 2006) relevant to the preparation of their report of which the Company's auditor is unaware, and
- the Director has taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information (as defined in the Companies Act 2006) and to establish that the Company's auditor is aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of S418 of the Companies Act 2006

**Auditors**

Deloitte LLP have expressed their willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting

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

*Simon Bird*  
Director

*Park House*  
18 Finsbury Circus  
London  
EC2M 7EB  
United Kingdom

4th July 2012

## Independent Auditor's Report to the Members of IFX Group Limited

We have audited the financial statements of IFX Group Limited for the year ended 31 March 2012 which comprise the Profit and Loss Account, the Balance Sheet, the Reconciliation of Movements in Shareholders' Funds and the related notes 1 to 11. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

### Respective Responsibilities of Directors and Auditor

As explained more fully in the Directors' Responsibilities Statement, 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 and express an opinion on 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 (s) Ethical Standards for Auditors.

### Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2012 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Emphasis of matter - Financial statements prepared other than on a going concern basis

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosure made in note 2 to the Financial Statements, which explains that the financial statements have been prepared on a basis other than that of a going concern.

### Opinion on other matter prescribed by the Companies Act 2006

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

### Matters on which we are required to report by exception

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

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



Syed Bokhari (Senior statutory auditor)  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditor  
London  
4<sup>th</sup> July 2012

## **Profit and Loss Account**

*(in thousands of £)*

		<b>For the year ended 31 March</b>	
	<b>Note</b>	<b>2012</b>	<b>2011</b>
<b>Provision against investment in subsidiary companies</b>	6	-	<b>(30)</b>
<b><u>Loss on ordinary activities before taxation</u></b>	3	<b>-</b>	<b><u>(30)</u></b>
Tax credit on loss on ordinary activities	5	-	113
<b><u>Net profit for the year from operations</u></b>		<b>-</b>	<b><u>83</u></b>

All the activity of the Company represents discontinued activities (see Note 2 to the Financial Statements)  
The Company made no recognised gains or losses for the current or preceding financial year other than those reported in the Profit and Loss account. Accordingly, no Statement of Total Recognised Gains and Losses has been prepared.

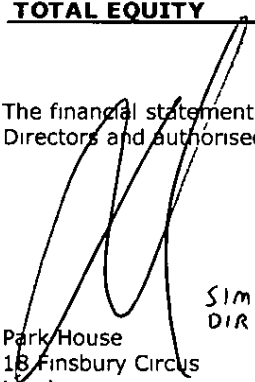
The accompanying notes on pages 9 to 12 are an integral part of these Financial Statements

## Balance Sheet

(in thousands of £)

		<b>As at 31 March</b>	
	<b>Note</b>	<b>2012</b>	<b>2011</b>
<b>Fixed assets</b>			
Investment in subsidiary companies	6	<b>20,471</b>	<b>20,471</b>
<b>Current assets</b>			
Prepayments and other debtors	7	<b>1,429</b>	<b>1,429</b>
<b>NET CURRENT ASSETS</b>		<b>1,429</b>	<b>1,429</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>21,900</b>	<b>21,900</b>
<b>NET ASSETS</b>		<b>21,900</b>	<b>21,900</b>
<b>Capital and reserves</b>			
Equity share capital	8	1,603	1,603
Share premium		20,214	20,214
Retained earnings		83	83
<b>TOTAL EQUITY</b>		<b>21,900</b>	<b>21,900</b>

The financial statements of IFX Group Limited (registered number 853270) were approved by the Board of Directors and authorised for issue on 4th July 2012 Signed on behalf of the Board of Directors

  
 Park House  
 18 Finsbury Circus  
 London  
 EC2M 7EB  
 United Kingdom

SIMON BIRD  
 DIRECTOR

The accompanying notes on pages 9 to 12 are an integral part of these Financial Statements



## **Reconciliation of movement in Shareholders' funds**

*(in thousands of £)*

	<b>Equity share capital</b>	<b>Share premium</b>	<b>Retained earnings</b>	<b>Total equity</b>
<b>Balance at 31 March 2010</b>	<b>1,603</b>	<b>20,214</b>	<b>-</b>	<b>21,817</b>
Profit for the financial year	-	-	83	83
<b>Balance at 31 March 2011</b>	<b>1,603</b>	<b>20,214</b>	<b>83</b>	<b>21,900</b>
Profit for the financial year	-	-	-	-
<b>Balance at 31 March 2012</b>	<b>1,603</b>	<b>20,214</b>	<b>83</b>	<b>21,900</b>

The share premium reserve represents the difference between the nominal value of the shares issued and the consideration received

The accompanying notes on pages 9 to 12 are an integral part of these Financial Statements

## **Notes to the Financial Statements**

### **1 ORGANISATION**

IFX Group Limited (the "Company" or "IFXG") is a private limited liability company incorporated under number 853270 on 1 July 1965 under the United Kingdom's Companies Act 2006

The principal activity of the Company during the year continued to be to hold investments in subsidiary undertakings

The Financial Statements have been prepared in accordance with the provisions of the Companies Act 2006. The significant accounting policies adopted by the Company are set out in Note 2 to the Financial Statements

The principal intermediate parent Company is City Index Group Limited ("CIGL"), a Company incorporated in the United Kingdom and which is the main sub-group that the Company is part of. This sub-group is generally referred to as the City Index Group. The ultimate parent Company and controlling party is IPGL Limited ("IPGL"), which is the largest group that prepares Financial Statements into which the Company is consolidated. The smallest group into which the Company is consolidated is the immediate holding company, City Index (Holdings) Limited ("CIHL"). Copies of the financial statements of IPGL and CIHL are available from the Registrar of Companies, Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ

### **2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **• Basis of preparation**

The Financial Statements of the Company are prepared under the historical cost basis and in accordance with applicable United Kingdom accounting standards and with the provisions of the Companies Act 2006. The principal accounting policies applied in the preparation of the Financial Statements are set out below. These policies have been consistently applied to the years presented. The Financial Statements are presented in thousands of British Pounds ("£" or "GBP"), which is the Company's presentation and functional currency

**Going concern:** On the 10 December 2009 its subsidiary ceased trading. As a consequence for the purposes of these Financial Statements all activity is shown as discontinued operations and the Directors have prepared the Financial Statements on the basis that the Company is no longer a going concern. As a result of ceasing to apply the going concern basis, the Directors reduced the carrying value of the investment in subsidiary to its net book value in the financial year 2011, no further write downs were considered necessary for the 2012 financial statements. At the date of signing this report net assets of the Company are £21,900,000 primarily relating to its investment in its subsidiary IFX Markets Limited (Note 6). The Director's intention is to liquidate the company within the next 12 months

#### **• Consolidated financial statements**

Under the provisions of Section 400 of the Companies Act 2006, the Company does not prepare consolidated financial statements as it is a wholly owned subsidiary of City Index (Holdings) Limited, which does prepare consolidated financial statements which are publicly available

#### **• Cash flow statement**

The Company has taken advantage of the exemption contained in Financial Reporting Standard 1 (revised 1996) not to produce a cash flow statement as its immediate parent company, CIHL, prepares a cash flow statement into which the Company's cash flows are consolidated which are publicly available

#### **• Dividends**

Dividends are recognised as a liability and deducted from equity at the balance sheet date only if they are declared and approved by shareholders before or on the balance sheet date. Dividends are disclosed when they are proposed before the balance sheet date or proposed or declared after the balance sheet date but before the Financial Statements are authorised for issue

#### **• Equity share capital**

Equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recorded as the proceeds received, net of external costs directly attributable to the issue. Ordinary shares and preference shares, where they share the characteristics of equity, are classified as equity. Any excess of the fair value of consideration received over the par value of shares issued is recognised as share premium

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• **Investments in subsidiaries**

In the Balance Sheet investments in subsidiaries are stated at cost less provision for impairment. For investments in subsidiaries acquired for consideration, including the issue of shares qualifying for merger relief, cost is measured by reference to the nominal value only of the shares issued with any premium being ignored.

• **Related party transactions**

The Company's Financial Statements include transactions and arrangements between related parties. Parties are generally considered to be related if one party has the ability to control the other party, is under common control, or can exercise significant influence or joint control over the other party in making financial and operational decisions. In considering each possible related party relationship attention is directed to its substance not merely the legal form. During the year the Company entered into transactions, in the ordinary course of business, with related parties. A summary of such related party transactions is detailed in Note 10 to the Financial Statements.

• **Taxation**

• **Corporation taxes**

Corporation taxes have been provided for in the Financial Statements in accordance with the tax legislation enacted or substantively enacted by the balance sheet date in the jurisdictions in which the Company operates. Taxable profit differs from profit as reported in the Profit and Loss Account because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items that are not taxable or tax deductible. The corporation tax charge comprises current and deferred taxes and is recognised in the Profit and Loss Account. Current tax is the amount expected to be paid to or recovered from the taxation authorities in respect of taxable profits or losses for the current and prior periods.

Current tax is charged or credited to the Profit and Loss Account, except when it relates to items charged or credited directly to equity, in which case the current tax is dealt with in equity.

**3 OPERATING LOSS**

Auditor's remuneration in relation to the audit of the Company of £2,000 in 2012 (2011: £2,000) was borne by CIL, a fellow CIGL subsidiary company.

**4 DIRECTORS AND EMPLOYEES INFORMATION**

	<b>For the year ended 31 March</b>	
	<b>2012</b>	<b>2011</b>
<b>Directors and employees</b>		
The average number of employees (including Directors) during the year was as follows	<b>No.</b>	<b>No.</b>
Management and administration	<b>1</b>	<b>3</b>
<b>Staff costs during the year amounted to:</b>		
Company contributions to money purchase pension schemes	-	-
	-	-

All Directors' and Employees' emoluments are borne by other group companies and the directors and the employees are not paid for services specifically provided to the Company in the current year. There are no termination, post-employment or other long-term benefits accruing to Directors.

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**5 TAX CREDIT ON LOSS ON ORDINARY ACTIVITIES**

*(in thousands of £)*

	<b>For the year ended 31 March</b>	
	<b>2012</b>	<b>2011</b>
<b>Prior year group relief</b>	-	(113)
The difference between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the loss before tax is as follows		
<b>Loss on ordinary activities before tax</b>	-	(30)
<b>Tax on loss on ordinary activities at standard rate 26% (2011 - 28%)</b>	-	(8)
<i>Factors affecting tax charge for the period</i>		
Expenses not deductible for tax purposes	-	8
<b>Prior year group relief</b>	-	(113)
<b>Total actual amount of current tax</b>	-	(113)

**6 INVESTMENT IN SUBSIDIARY COMPANIES**

*(in thousands of £)*

	<b>IFX Markets Limited</b>
<b>Cost</b>	
Balance at 1 April 2011	23,041
<b>Balance at 31 March 2012</b>	<b>23,041</b>
<b>Provision against value of investment</b>	
Balance at 1 April 2011	(2,570)
<b>Balance at 31 March 2012</b>	<b>(2,570)</b>
<b>Net book value at 31 March 2012</b>	<b>20,471</b>

The subsidiary company ceased trading during on 10 December 2009 and distributed its retained earnings. The investment was therefore impaired to the net recoverable amount in the 2011 financial year. No further impairment is considered necessary for the 2012 financial year.

<b>Subsidiary Company</b>	<b>Domicile</b>	<b>Holding</b>	<b>Voting rights</b>	<b>Principal Business</b>
IFX Markets Limited	England & Wales	Ordinary shares	100%	Non trading

Under the provisions of Section 400 of the Companies Act 2006, the Company does not prepare consolidated financial statements as it is a wholly owned subsidiary of City Index (Holdings) Limited which does prepare consolidated financial statements.

**7 PREPAYMENTS AND OTHER RECEIVABLES**

*(in thousands of £)*

	<b>As at 31 March</b>	
	<b>2012</b>	<b>2011</b>
<b>Total prepayments and other debtors - amounts due from other CIGL group companies</b>	<b>1,429</b>	<b>1,429</b>

**Amounts due from other CIGL group companies:** The amounts due from group companies are unsecured, interest free and are repayable on demand.

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**8 EQUITY SHARE CAPITAL**

*(in thousands of £)*

	<b>As at 31 March</b>	
	<b>2012</b>	<b>2011</b>
<b>Called up, allotted and fully paid</b>		
32,058,290 ordinary shares of £0.05 each	<b>1,603</b>	<b>1,603</b>

Equity shares of the Company are identical, including economic rights and voting rights. The rights, preferences, and restrictions with respect to voting, the distribution of dividends, and the repayment of capital are contained in the Memorandum and Articles of Association. At the balance sheet date, there were no limitations on the distribution of retained earnings to shareholders. No dividend was declared (2011: £Nil).

**9 SEGMENT REPORTING**

The principal activity of the Company during the year was to hold investments in subsidiary companies. All holdings relate to the one geographic area being the United Kingdom.

**10 RELATED PARTY TRANSACTIONS**

Parties are generally considered to be related if one party has the ability to control the other party, is under common control, or can exercise significant influence or joint control over the other party in making financial and operational decisions. In considering each possible related party relationship, attention is directed to its substance not merely the legal form. The Company's immediate parent is disclosed in Note 10 to the Financial Statements.

During the year the Company entered into transactions, in the ordinary course of business, with other related parties. Transactions entered into, and trading balances outstanding at the balance sheet date were as follows:

**Balances with related parties**

At the balance sheet dates the outstanding balances with related parties were as follows:

*(in thousands of £)*

	<b>As at 31 March</b>	
	<b>2012</b>	<b>2011</b>
<b>Balances with CIGL group companies:</b>		
<b>Prepayments and other debtors - less than one year</b>	<b>1,429</b>	<b>1,429</b>

**Transactions with related parties**

No income and expense items with related parties for the 2012 year end (2011: £Nil).

**Terms and conditions of transactions with related parties**

Expense recharges between related parties are made on an arm's length basis. Outstanding balances with entities are, unless otherwise specified, unsecured and interest free and placed on intercompany accounts and are repayable on demand.

**Transactions with director's and key management**

There were no transactions with its Director other than as disclosed in the Director's Remuneration summary detailed in Note 4 to the Financial Statements.

**11 EVENTS OCCURRING SUBSEQUENT TO THE BALANCE SHEET DATE**

There were no events occurring subsequent to the balance sheet date requiring disclosure in these Financial Statements.