

**BERKELEY FUTURES LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**30th APRIL 2006**

Company Registration Number 1969442



**BREBNER ALLEN & TRAPP**  
Chartered Accountants & Registered Auditors  
The Quadrangle  
180 Wardour Street  
London  
W1F 8LB

# **BERKELEY FUTURES LIMITED**

## **FINANCIAL STATEMENTS**

**YEAR ENDED 30th APRIL 2006**

---

<b>CONTENTS</b>	<b>PAGE</b>
Company information	<b>1</b>
The directors' report	<b>2</b>
Independent Auditor's report to the shareholders	<b>6</b>
Profit and Loss Account	<b>8</b>
Balance sheet	<b>9</b>
Cash flow statement	<b>10</b>
Notes to the financial statements	<b>12</b>
<b>The following pages do not form part of the financial statements</b>	
Detailed profit and loss account	<b>23</b>
Notes to the detailed profit and loss account	<b>24</b>

## **BERKELEY FUTURES LIMITED**

### **COMPANY INFORMATION**

---

<b>The board of directors</b>	Mr A M Woodward Mr C I Thompson
<b>Company secretary</b>	Mr C I Thompson
<b>Registered office</b>	The Quadrangle 180 Wardour Street London W1F 8FY
<b>Auditor</b>	Brebner Allen & Trapp Chartered Accountants & Registered Auditors The Quadrangle 180 Wardour Street London W1F 8LB
<b>Bankers</b>	National Westminster Bank plc PO Box 2AG 63 Piccadilly London W1A 2AG

# BERKELEY FUTURES LIMITED

## THE DIRECTORS' REPORT

YEAR ENDED 30th APRIL 2006

---

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 30th April 2006.

### PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company continued to be that of futures, options and foreign exchange broking.

#### Business Review

The directors are very pleased with the results for the year and are hopeful of maintaining the company's position in the forthcoming year.

#### Financial Key Performance Indicators

	2006	2005
Turnover	5,172,844	3,778,271
Increase in turnover	37%	39%
Client monies held	39,152,953	20,095,978
Increase in funds held to clients	95%	29%

#### Non-Financial Key Performance Indicators

The company seeks to ensure that responsible business practice is fully integrated into the management of all of its operations and into the culture of all parts of its business. It believes that the consistent adoption of responsible business practice is essential for operational excellence, which in turn, ensures the delivery of its core objectives of sustained real growth in profitability.

In a company this size the directors consider there are collectively numerous non-financial performance indicators but non individually are key.

### RESULTS AND DIVIDENDS

The trading results for the year and the company's financial position at the end of the year are shown in the attached financial statements.

The directors have not recommended a dividend.

### RISK MANAGEMENT POLICIES

#### Overview

The board is responsible for determining the level of risk acceptable to the company. This is subject to regular review. The company seeks to mitigate its risks through the application of strict limits and controls and a monitoring process at operational level.

**BERKELEY FUTURES LIMITED****THE DIRECTORS' REPORT** *(continued)***YEAR ENDED 30th APRIL 2006**

---

**Credit Risk**

Credit risk is the risk that counterparties will not be able to meet their obligations as they fall due. There are regular credit reviews of counterparty limits. Berkeley Futures Limited holds margin monies or other collateral to mitigate their risks. Additionally daily margin calls are made on clients to reflect market movements affecting client positions.

**Operational Risk**

Operational risk is caused by failures in business processes or the systems or physical infrastructure that support them that have the potential to result in financial loss or reputation damage. This includes errors, omissions, systems failure, lack of resources or physical assets and deliberate acts such as fraud.

The regulated environment in which the company operates, imposes extensive reporting requirements and continuing self assessment and appraisal. The company seeks to continually improve its operating efficiencies and standards.

**Liquidity Risk**

The company ensures that liquidity is maintained by monitoring cash balances daily to ensure it retains flexibility in the management of cash flows.

**Market Risk**

The company is not adversely affected by changes in market performance, as income of the company is derived from commissions receivable.

**Foreign Currency Risk**

The majority of cash is held in Sterling denominated accounts. Funds at brokers are matched with client funds to mitigate exposure to exchange rate fluctuations in any currency.

**Interest Rate Risk**

The company is exposed to interest rate risk as it has significant net earnings on its own cash deposits and those of its customers. Interest rates are regularly monitored in light of current performance and the economic environment.

# BERKELEY FUTURES LIMITED

## THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 30th APRIL 2006

### THE DIRECTORS AND THEIR INTERESTS IN THE SHARES OF THE COMPANY

The directors who served the company during the year together with their beneficial interests in the shares of the company were as follows:

	Class of share	At 30 April 2006	At 1 May 2005
Mr A M Woodward	Ordinary	10,500	10,500
	Ordinary 'A'	53	53
Mr C I Thompson	Ordinary	9,500	9,500
	Ordinary 'A'	48	48
		.....	.....

### DIRECTORS' RESPONSIBILITIES

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

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that year. In preparing those financial statements, the directors are required to:

- select suitable accounting policies, as described on pages 12 to 13, 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 company will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. The directors 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.

In so far as the directors are aware:

- there is no relevant audit information of which the company's auditors are unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

**BERKELEY FUTURES LIMITED**

**THE DIRECTORS' REPORT** *(continued)*

**YEAR ENDED 30th APRIL 2006**

---

**AUDITOR**

A resolution to re-appoint Brebner Allen & Trapp as auditor for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

Signed on behalf of the directors

A handwritten signature in black ink, appearing to be 'A M Woodward', written over a horizontal line.

Mr A M Woodward  
Director

Approved by the directors on 31st July 2006

**BERKELEY FUTURES LIMITED**  
**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF**  
**BERKELEY FUTURES LIMITED**  
**YEAR ENDED 30th APRIL 2006**

---

We have audited the financial statements of Berkeley Futures Limited for the year ended 30th April 2006 on pages 8 to 21 which have been prepared on the basis of the accounting policies set out on pages 12 to 13.

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 AUDITOR**

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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, and whether the information given in the Directors' Report is consistent with the financial statements. We also report to you if, in our opinion, the 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 the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

**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 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.



**BERKELEY FUTURES LIMITED**

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF  
BERKELEY FUTURES LIMITED *(continued)***

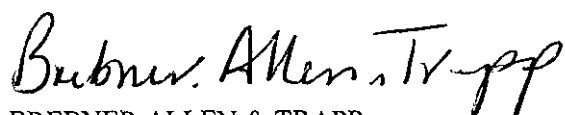
**YEAR ENDED 30th APRIL 2006**

---

**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 company's affairs as at 30th April 2006 and of its 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.



BREBNER ALLEN & TRAPP  
Chartered Accountants  
& Registered Auditors

The Quadrangle  
180 Wardour Street  
London  
W1F 8LB

31st July 2006

**BERKELEY FUTURES LIMITED****PROFIT AND LOSS ACCOUNT****YEAR ENDED 30th APRIL 2006**

	Note	2006 £	2005 £
<b>TURNOVER</b>	<b>2</b>	<b>5,172,844</b>	3,778,271
Cost of sales		<u>2,479,283</u>	<u>1,645,164</u>
<b>GROSS PROFIT</b>		<b>2,693,561</b>	2,133,107
Administrative expenses		<u>2,589,702</u>	<u>1,945,201</u>
<b>OPERATING PROFIT</b>	<b>3</b>	<b>103,859</b>	187,906
Interest receivable	<b>6</b>	<b>178,084</b>	95,636
Interest payable and similar charges	<b>7</b>	<b>(15,145)</b>	—
		.....	.....
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>266,798</b>	283,542
Tax on profit on ordinary activities	<b>8</b>	<b>54,286</b>	56,300
		.....	.....
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<b>212,512</b>	227,242
		.....	.....

All of the activities of the company are classed as continuing.

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

**BERKELEY FUTURES LIMITED****BALANCE SHEET****30th APRIL 2006**

	Note	2006 £	2005 £
<b>FIXED ASSETS</b>			
Tangible assets	10	66,922	105,892
<b>CURRENT ASSETS</b>			
Debtors	11	35,309,560	19,835,418
Cash at bank	12	5,792,623	2,099,472
		41,102,183	21,934,890
<b>CREDITORS: Amounts falling due within one year</b>	13	40,318,901	21,400,376
<b>NET CURRENT ASSETS</b>		783,282	534,514
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		850,204	640,406
<b>PROVISIONS FOR LIABILITIES</b>			
Deferred taxation	15	904	3,618
		849,300	636,788
<b>CAPITAL AND RESERVES</b>			
Called-up equity share capital	18	20,201	20,201
Profit and loss account		829,099	616,587
<b>SHAREHOLDERS' FUNDS</b>	20	849,300	636,788

These financial statements were approved by the directors on the 31st July 2006 and are signed on their behalf by:



Mr A M Woodward  
Directors



Mr C I Thompson

**BERKELEY FUTURES LIMITED****CASH FLOW STATEMENT****YEAR ENDED 30th APRIL 2006**

	2006 £	2006 £	2005 £ (restated)	2005 £ (restated)
<b>NET CASH (OUTFLOW) / INFLOW FROM OPERATING ACTIVITIES</b>		(25,667)		759,725
<b>RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>				
Interest received	178,084		95,636	
Interest paid	-		-	
<b>NET CASH INTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>		178,084		95,636
<b>TAXATION</b>				
Corporation Tax (Paid)		(57,000)		(63,235)
<b>CAPITAL EXPENDITURE</b>				
Payments to acquire tangible fixed assets	(3,676)		(20,121)	
Receipts from sale of fixed assets	10,500		3,000	
<b>NET CASH INFLOW / (OUTFLOW) FROM CAPITAL EXPENDITURE</b>		6,824		(17,121)
		102,241		775,005
<b>EQUITY DIVIDENDS PAID</b>		-		(500,020)
<b>MANAGEMENT OF LIQUID RESOURCES</b>				
Management of surplus funds on segregated accounts		(34,955)		(19,930)
<b>INCREASE IN CASH</b>		67,286		255,055

The notes on pages 12 to 21 form part of the financial statements.

**BERKELEY FUTURES LIMITED****CASH FLOW STATEMENT** *(continued)***YEAR ENDED 30th APRIL 2006****RECONCILIATION OF OPERATING PROFIT TO NET  
CASH (OUTFLOW) / INFLOW FROM OPERATING  
ACTIVITIES**

	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Operating profit	103,859	187,906
Depreciation charges	37,235	38,968
(Profit) on disposal of fixed assets	(5,089)	(3,000)
(Increase) in debtors	(8,077)	(23,202)
(Decrease) / increase in creditors	(153,595)	559,053
<b>Net cash (outflow) / inflow from operating activities</b>	<b>(25,667)</b>	<b>759,725</b>

**ANALYSIS OF CHANGES IN NET FUNDS**

	<b>At 1st May 2005</b>	<b>Cashflows</b>	<b>At 30th April 2006</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Own cash in hand and at bank	1,346,848	67,286	1,414,134
Liquid Resources			
Surplus funds	367,566	34,955	402,521
<b>Total</b>	<b>1,714,414</b>	<b>102,241</b>	<b>1,816,655</b>

Surplus funds represent the total of cash held in segregated bank accounts and funds held in brokers accounts, less funds due to clients.

**BERKELEY FUTURES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 30th APRIL 2006**

---

**1. ACCOUNTING POLICIES**

**Basis of accounting**

The financial statements have been prepared under the historical cost convention, and in accordance with applicable accounting standards.

**Changes in accounting policies**

In preparing the financial statements for the current year, the company has adopted the following Financial Reporting Standards:

-the presentation requirements of 'FRS 25 'Financial Instruments: Disclosure and Presentation (IAS 32)'.

**FRS 25 'Financial Instruments: Disclosure and Presentation (IAS 32)'**

The company is required to adopt FRS 25 'Financial Instruments: Disclosure and Presentation (IAS 32)' for accounting periods beginning on or after 1 January 2005.

This results in the 201 Ordinary 'A' shares of £1 each Shares being reclassified as equity rather than non-equity share capital.

**Turnover**

Turnover represents commissions received and receivable on transactions made on behalf of the clients, and net interest received and receivable on trading balances. All amounts are stated net of attributable value added tax.

This is a change of basis of accounting from prior periods as the directors believe that this gives a fairer presentation of the company's operations. Comparatives have been restated accordingly. There is no effect on profit.

**Fixed assets**

All fixed assets are initially recorded at cost.

**Depreciation**

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Fixtures & Fittings	- 20% per annum straight line
Motor Vehicles	- 25% per annum straight line

**Operating lease agreements**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

**BERKELEY FUTURES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 30th APRIL 2006**

---

**1. ACCOUNTING POLICIES** *(continued)*

**Pension costs**

The company operates a defined contribution pension scheme for its directors. The assets of the scheme are held separately from those of the company in an independently administered fund. The contributions payable to the pension scheme in respect of the accounting period are charged against profit.

**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.

**Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

**Financial instruments**

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

**Open positions**

Trade debtors and creditors include positions open at the year end date. These are valued at the market prices prevailing on that date.

**2. TURNOVER**

The turnover and operating profit was derived from the company's principal activity. Segmental disclosure of turnover and profit before tax has not been given as the directors believe that this would be seriously prejudicial to the interests of the company.

Included in turnover is interest on trading balances as follows:

	2006	2005
Interest received and receivable	1,167,670	867,755
	.....	.....

**BERKELEY FUTURES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 30th APRIL 2006**

---

**3. OPERATING PROFIT**

Operating profit is stated after charging/(crediting):

	2006	2005
	£	£
Depreciation of owned fixed assets	37,235	38,968
Profit on disposal of fixed assets	(5,089)	(3,000)
Auditor's remuneration		
- as auditor	15,000	12,750
- for other services	47,261	38,000
Operating lease costs:		
Other	57,404	56,937
	.....	.....

**4. PARTICULARS OF EMPLOYEES**

The average number of staff employed by the company during the financial year amounted to:

	2006	2005
	No	No
Number of selling and distribution staff	13	14
Number of administrative staff	2	2
	.....	.....
	15	16
	.....	.....

The aggregate payroll costs of the above were:

	2006	2005
	£	£
Wages and salaries	1,865,801	1,238,480
Social security costs	293,570	143,100
Other pension costs	—	100,000
	.....	.....
	2,159,371	1,481,580
	.....	.....

**5. DIRECTORS' EMOLUMENTS**

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

	2006	2005
	£	£
Emoluments receivable	1,134,312	629,054
Value of company pension contributions to money purchase schemes	—	100,000
	.....	.....
	1,134,312	729,054
	.....	.....



**BERKELEY FUTURES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 30th APRIL 2006**

---

**5. DIRECTORS' EMOLUMENTS** *(continued)***Emoluments of highest paid director:**

	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Total emoluments (excluding pension contributions)	<b>596,402</b>	329,113
Value of company pension contributions to money purchase schemes	—	52,500
	<b>596,402</b>	381,613

The number of directors who accrued benefits under company pension schemes was as follows:

	<b>2006</b>	<b>2005</b>
	<b>No</b>	<b>No</b>
Money purchase schemes	<b>2</b>	2

**6. INTEREST RECEIVABLE**

	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Interest receivable	<b>178,084</b>	95,636

**7. INTEREST PAYABLE AND SIMILAR CHARGES**

	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Other similar charges payable	<b>15,145</b>	—

**BERKELEY FUTURES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 30th APRIL 2006**

---

**8. TAXATION ON ORDINARY ACTIVITIES****(a) Analysis of charge in the year**

	2006 £	2005 £
Current tax:		
In respect of the year:		
UK Corporation tax based on the results for the year at 19% (2005 - 19%)	57,000	57,000
Over/under provision in prior year	..... -	..... 1,371
Total current tax	57,000	58,371
Deferred tax:		
Origination and reversal of timing differences	..... (2,714)	..... (2,071)
Tax on profit on ordinary activities	54,286	56,300

**(b) Factors affecting current tax charge**

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 19% (2005 - 19%).

	2006 £	2005 £
Profit on ordinary activities before taxation	266,798	283,542
Profit/(loss) on ordinary activities multiplied by rate of corporation tax	50,692	53,873
Expenses not deductible for tax purposes	3,437	1,167
Depreciation for the year in excess of capital allowances	2,871	1,960
Over/under provision in prior year	..... -	..... 1,371
Total current tax (note 8(a))	57,000	58,371

**9. DIVIDENDS**

No dividend has been recommended for the year ended 30th April 2006.

**BERKELEY FUTURES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 30th APRIL 2006**

**10. TANGIBLE FIXED ASSETS**

	<b>Fixtures &amp; Fittings £</b>	<b>Motor Vehicles £</b>	<b>Total £</b>
<b>COST</b>			
At 1st May 2005	101,956	88,913	190,869
Additions	3,676	–	3,676
Disposals	–	(23,610)	(23,610)
	.....	.....	.....
<b>At 30th April 2006</b>	<b>105,632</b>	<b>65,303</b>	<b>170,935</b>
	.....	.....	.....
<b>DEPRECIATION</b>			
At 1st May 2005	38,274	46,703	84,977
Charge for the year	19,645	17,590	37,235
On disposals	–	(18,199)	(18,199)
	.....	.....	.....
<b>At 30th April 2006</b>	<b>57,919</b>	<b>46,094</b>	<b>104,013</b>
	.....	.....	.....
<b>NET BOOK VALUE</b>			
<b>At 30th April 2006</b>	<b>47,713</b>	<b>19,209</b>	<b>66,922</b>
	.....	.....	.....
At 30th April 2005	63,682	42,210	105,892
	.....	.....	.....

**11. DEBTORS**

	<b>2006 £</b>	<b>2005 £</b>
Trade debtors	35,217,641	19,757,484
Other debtors	63,485	51,509
Prepayments and accrued income	28,434	26,425
	.....	.....
	<b>35,309,560</b>	<b>19,835,418</b>
	.....	.....

Included in trade debtors are segregated balances held by brokers on behalf of the company.

**12. CASH AT BANK**

	<b>2006 £</b>	<b>2005 £</b>
Cash held in segregated bank accounts on behalf of clients	4,378,489	752,624
Company's own account	1,414,134	1,346,848
	.....	.....
	<b>5,792,623</b>	<b>2,099,472</b>
	.....	.....

**BERKELEY FUTURES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 30th APRIL 2006**

---

**13. CREDITORS: Amounts falling due within one year**

	2006	2005
	£	£
Trade creditors	39,152,953	20,095,978
Corporation tax	57,000	57,000
Other taxation and social security	20,642	17,108
Other creditors	41,143	19,556
Accruals and deferred income	1,047,163	1,210,734
	.....	.....
	<b>40,318,901</b>	<b>21,400,376</b>
	.....	.....

Trade creditors represent amounts due to clients and are represented by segregated funds included within current assets.

**14. PENSIONS**

The company operates a money purchase pension scheme for the benefit of its directors. The assets of the scheme are administered separately from the company. The pension costs charge represents contributions payable by the company which amounted to £Nil (2005: £100,000).

**15. DEFERRED TAXATION**

The movement in the deferred taxation provision during the year was:

	2006	2005
	£	£
Provision brought forward	3,618	5,689
Profit and loss account movement arising during the year	(2,714)	(2,071)
	.....	.....
Provision carried forward	904	3,618
	.....	.....

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

	2006	2005
	£	£
Excess of taxation allowances over depreciation on fixed assets	904	3,618
	.....	.....
	904	3,618
	.....	.....

**BERKELEY FUTURES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 30th APRIL 2006**

---

**16. COMMITMENTS UNDER OPERATING LEASES**

At 30th April 2006 the company had annual commitments under non-cancellable operating leases as set out below.

	<b>Land &amp; Buildings</b>	
	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Operating leases which expire:		
Within 2 to 5 years	<b>64,470</b>	<b>64,470</b>
	.....	.....

**17. RELATED PARTY TRANSACTIONS**

During the year Berkeley Futures Limited made contributions to the Berkeley Futures Limited Directors Pension Scheme of £Nil (2005: £100,000). Included in trade creditors is a balance of £76,818 (2005: £56,174) being amounts due to the Berkeley Futures Limited Directors Pension Scheme.

Berkeley Futures Limited Directors Pension Scheme has a 30% interest in Berkeley (Bahamas) Limited.

Included in turnover is an amount of £781,038 (2005: £479,820) earned as a result of executing transactions for Berkeley (Bahamas) Limited.

Included in cost of sales is an amount of £777,655 (2005: £417,230) being commission payable to Berkeley (Bahamas) Limited.

Included in accruals and deferred income is a balance of £554,343 (2005: £274,380) being commission due to Berkeley (Bahamas) Limited.

Included in trade creditors is a balance of £19,053,641 (2005: £3,665,508) being amounts held on behalf of the clients of Berkeley (Bahamas) Limited.

During the previous year A M Woodward and C I Thompson received and repaid loans amounting to £131,250 and £118,750 respectively.

**BERKELEY FUTURES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 30th APRIL 2006**

**18. SHARE CAPITAL****Authorised share capital:**

	2006	2005
	£	£
50,000 Ordinary shares of £1 each	50,000	50,000
10,000 Ordinary 'A' shares of £1 each	10,000	10,000
	.....	.....
	60,000	60,000
	.....	.....

**Allotted, called up and fully paid:**

	2006		2005	
	No	£	No	£
Ordinary shares of £1 each	20,000	20,000	20,000	20,000
Ordinary 'A' shares of £1 each	201	201	201	201
	.....	.....	.....	.....
	20,201	20,201	20,201	20,201
	.....	.....	.....	.....
<b>Equity shares</b>				
Ordinary shares of £1 each	20,000	20,000	20,000	20,000
Ordinary 'A' shares of £1 each	201	201	201	201
	.....	.....	.....	.....
	20,201	20,201	20,201	20,201
	.....	.....	.....	.....

**Rights of Ordinary 'A' Shares**

The Ordinary 'A' shares of £1 each rank pari passu in all respects with the ordinary shares save that;

- 1) dividends, if paid, are fixed at 5% (net of associated tax credit) per annum;
- 2) returns of capital are limited to the amounts paid up on such shares, including premium (if any);
- 3) no entitlement is given with regard to attendance or voting at general meetings;
- 4) conversion to ordinary shares shall occur in the event of a proposed sale or public offering of shares.

The company is required to adopt FRS 25 'Financial Instruments: Disclosure and Presentation (IAS 32)' for accounting periods beginning on or after 1 January 2005.

This results in the 201 Ordinary 'A' shares of £1 each Shares being reclassified as equity rather than non-equity share capital. There is no effect on profit.

**BERKELEY FUTURES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 30th APRIL 2006**

---

**19. PROFIT AND LOSS ACCOUNT**

	2006	2005
	£	£
Balance brought forward	616,587	589,355
Profit for the financial year	212,512	227,242
Equity dividends paid (FRS 25)	—	(200,010)
	.....	.....
Balance carried forward	829,099	616,587
	.....	.....

**20. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	2006	2005
	£	£
Profit for the financial year	212,512	227,242
Equity dividends paid (FRS 25)	—	(200,010)
	.....	.....
Net addition to shareholders' funds	212,512	27,232
Opening shareholders' funds	636,788	609,556
	.....	.....
Closing shareholders' funds	849,300	636,788
	.....	.....

**21. CONTROL**

The company is controlled by Mr A M Woodward as shown in the directors' report.