

Company Number: 02056541

EXOTIX LIMITED
FINANCIAL STATEMENTS
FOR THE PERIOD ENDED
30 JUNE 2013



EXOTIX LIMITED

Directors' Report for the year ended 30 June 2013

The directors present their report and the audited financial statements of the company for the year ended 30 June 2013

PRINCIPAL ACTIVITY

During the year the company's principal activity was the broking of illiquid bonds, equities and loans on both matched principal and agency basis. The company was authorised and regulated by the Financial Conduct Authority of the United Kingdom ("FCA") and authorised by the Financial Services Authority of Dubai ("DFSA"). Post year-end, following the withdrawal of these licenses as part of a group restructuring, the company ceased trading.

The company is incorporated and domiciled in England & Wales and also transacted financial services from a branch domiciled within the Dubai International Financial Centre. The registered office of the company is 54 Baker Street, London, W1U 7BU.

FINANCIAL SERVICES REGULATION

Pursuant to the group reorganisation in which the business of the company was acquired by Exotix Partners LLP in July 2013 the Company requested, and was granted, deregistration as an authorised financial services firm. As a result, the company is no longer authorised or regulated by either the FCA or DFSA.

BUSINESS REVIEW

Trading review

In May 2012 the company sold its trading operations to Exotix Partners LLP and the principal source of income in the year was from trades executed by this business as agent of the company pending the authorisation of Exotix Partners LLP by the FCA and DFSA. Post year end Exotix Partners LLP received the authorisations that enable it to trade in its own name and the appointed representative agreement between the company and the LLP was therefore terminated. As a result, the company has no ongoing source of income and ceased trading in July 2013.

The directors consider the year-end position to be satisfactory and are in the process of restructuring the capital of the company prior to distributing surplus funds to the shareholders of the company.

Results and dividends

The results of the company are set out in the statement of comprehensive income on page 4 and the net profit for the year of £191,000 (2012 loss of £311,000) has been transferred to reserves.

FINANCIAL RISK MANAGEMENT

The company's risk profile and financial risk management policies are disclosed in note 2 to the financial statements.

KEY PERFORMANCE INDICATORS

The company's directors are of the opinion that revenue and operating profit are key performance indicators of the business. These are disclosed on page 4.

DIRECTORS

The directors of the company who held office during the year were

P J Bartlett
A Chappell
D Gelber
M Wreford

CHARITABLE AND POLITICAL DONATIONS

During the year the company made charitable donations of £Nil (2012 £67,255).

EXOTIX LIMITED

Directors' Report for the year ended 30 June 2013

DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as applied in accordance with the provisions of the Companies Act 2006. Under company law the directors 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 that the financial statements comply with IFRSs as adopted by the European Union,

The directors are 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

CREDITOR PAYMENT POLICY

Once works have been completed to a satisfactory standard, all external trade creditors are paid within 30 days of the balance falling due and payable.

PROVISION OF INFORMATION TO THE AUDITORS

In the case of each person who was a director at the time this report was approved

- so far as that director was aware there was no relevant available information of which the company's auditors were unaware, and
- that director had taken all steps that the director ought to have taken as a director to make himself or herself aware of any relevant audit information and to establish that the company's auditors were aware of that information.

This information is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

AUDITORS

A resolution to reappoint Nexia Smith & Williamson as auditors will be proposed at the forthcoming Annual General Meeting.

By Order of the Board Andrew Chappell
Director
14th October 2013



Company Registration Number 02056541

EXOTIX LIMITED

Independent Auditors' Report to the members of Exotix Limited

We have audited the financial statements of Exotix Limited for the year ended 30 June 2013 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Equity and the related notes 1 to 20. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

This report is made solely to the company's 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 set out on page 2, 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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/apb/scope/private.cfm.

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 30 June 2013 and of its profit for the year then ended,
- have been properly prepared in accordance with IFRSs as adopted by the European Union, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

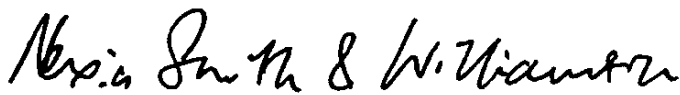
Opinion on other matter prescribed by the Companies Act 2006

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 directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.



Carl Deane
Senior Statutory Auditor, for and on behalf of
Nexia Smith & Williamson
Statutory Auditor
Chartered Accountants

Portwall Place
Bristol
BS1 6NA

Date



EXOTIX LIMITED

Statement of Comprehensive Income for the year ended 30 June 2013

	<u>Note</u>	<u>Year to</u> <u>30 June 2013</u> £'000	<u>15-months to</u> <u>30 June 2012</u> £'000
Commission and brokerage income		3,466	11,677
Commission and brokerage expenses		(369)	(399)
Net commission and trading income		<u>3,097</u>	<u>11,278</u>
Net loss on held for trading investments		-	(129)
Administrative expenses	3,4,5,6	(2,878)	(11,572)
Operating profit / (loss)		<u>219</u>	<u>(423)</u>
Finance income	7	8	80
Profit / (Loss) before taxation		<u>227</u>	<u>(343)</u>
Taxation	8	(36)	32
Total comprehensive income for the year		<u><u>191</u></u>	<u><u>(311)</u></u>

All business activities are classified as discontinued

The notes on pages 8 to 20 form part of these financial statements

EXOTIX LIMITED

Statement of Changes in Equity for the year ended 30 June 2013

	<u>Share capital</u>	<u>Share premium reserve</u>	<u>Retained earnings</u>	<u>Total</u>
	£'000	£'000	£'000	£'000
As at 1 April 2011	1,000	32	17,437	18,469
Loss for the period	-	-	(311)	(311)
Dividend	-	-	(13,565)	(13,565)
As at 31 March 2012	<u>1,000</u>	<u>32</u>	<u>3,561</u>	<u>4,593</u>
Profit for the period	-	-	191	191
As at 30 June 2013	<u>1,000</u>	<u>32</u>	<u>3,752</u>	<u>4,784</u>

The notes on pages 8 to 20 form part of these financial statements

EXOTIX LIMITED

Statement of Financial Position as at 30 June 2013

	<u>Note</u>	<u>As at</u> <u>30 June 2013</u> <u>£'000</u>	<u>As at</u> <u>30 June 2012</u> <u>£'000</u>
Non-current assets			
Property, plant and equipment	9	66	93
Current assets			
Trade and other receivables	10	5,347	5,658
Cash and cash equivalents	12	3,231	3,504
		<u>8,578</u>	<u>9,162</u>
Total assets		<u>8,644</u>	<u>9,255</u>
Current liabilities			
Trade and other payables	13	(2,059)	(2,812)
Tax payable		49	-
		<u>(2,010)</u>	<u>(2,812)</u>
Liabilities falling due after more than one year			
Subordinated debt	18	(1,850)	(1,850)
Total Liabilities		<u>(3,860)</u>	<u>(4,662)</u>
Net assets		<u>4,784</u>	<u>4,593</u>
Equity			
Called up share capital	14	1,000	1,000
Share premium reserve		32	32
Retained earnings		3,752	3,561
Total equity		<u>4,784</u>	<u>4,593</u>

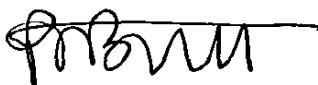
The financial statements were approved by the board of directors and were signed on its behalf by



A Chappell

Directors

14th October 2013



P Bartlett

The notes on pages 8 to 20 form part of these financial statements

EXOTIX LIMITED**Statement of Cash Flows for the year ended 30 June 2013**

	<u>Note</u>	<u>Year ended</u> <u>30 June 2013</u> £'000	<u>Period ended</u> <u>30 June 2012</u> £'000
Cash flows from operating activities			
Profit / (Loss) before taxation		227	(343)
Adjustments to reconcile profit before tax to net cash flows from operating activities			
Depreciation		30	235
Net finance income		(8)	(80)
Decrease / (increase) in trade and other receivables		159	(2,898)
(Decrease) in trading investments		-	129
(Decrease) in trade and other payables		(753)	(266)
Foreign exchange movement		9	(29)
Cash generated from operations		(336)	(3,252)
Corporation tax recovered / (paid)		67	(41)
Net cash outflow from operating activities		(269)	(3,293)
Cash flows from investing activities			
Purchase of property, plant & equipment		(3)	(14)
Proceeds from sale of fixed assets		-	169
Interest income		8	80
Purchase of trading investment		-	(172)
Proceeds from disposal of trading investments		-	11,712
Net cash from/(used in) investing activities		(264)	11,775
Cash flows from financing activities			
Dividend paid		-	(13,565)
Issuance of subordinated debt		-	1,850
Interest paid		-	-
Net cash used in financing activities		-	(11,715)
Net increase in cash and cash equivalents		(264)	(3,233)
Effect of foreign exchange rate changes		(9)	29
Net cash and cash equivalents at beginning of year	12	3,504	6,708
Net cash and cash equivalents at end of year	12	<u>3,231</u>	<u>3,504</u>

The notes on pages 8 to 20 form part of these financial statements

EXOTIX LIMITED

Notes to the financial statements for the year ended 30 June 2013

1 PRINCIPAL ACCOUNTING POLICIES

a) Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the EU, the Companies Act 2006 and under the historical cost convention apart from held for trading investments which are accounted for at fair value through profit or loss

b) Income

Income comprises commission and brokerage income derived from securities broking

Securities broking is mainly transacted on a matched principal basis. To represent the substance of matched principal services provided by the company, where it acts as principal for the simultaneous purchase and sale of securities to third parties, commission income represents the differential between the consideration received on the sale of the security and its purchase price

For agency trades revenue is stated net of rebates and discounts, value added tax and other sales taxes. Commission and brokerage income is recognised at trade-date

c) Taxation

Tax on the profit/(loss) for the year comprises current tax, as well as adjustments in respect of prior periods. Tax is charged or credited to the statement of comprehensive income, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted, or substantially enacted by the year end date

d) Finance costs

All borrowing costs are expensed as finance costs in the statement of comprehensive income using the applicable effective interest rate. All other costs incurred in obtaining finance are included in finance costs

e) Foreign currencies

Transactions denominated in foreign currencies are translated into the functional currency at the rates of exchange prevailing on the dates of the transactions. At each period end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the period end date. Exchange differences are taken to the statement of comprehensive income

f) Property, plant and equipment

Property, plant and equipment is stated at historical cost less provision for any impairment in its value and accumulated depreciation. Property, plant and equipment is depreciated on a straight line basis over its expected useful economic life as follows

Leasehold improvements	The term of the lease
Computer software and hardware	3 Years
Fixtures and fittings	5 Years

The company reviews its depreciation rates regularly to take account of any changes in circumstances. These rates are determined upon consideration of factors such as the expected rate of technological development and anticipated usage levels. Depreciation is charged against assets from the date at which the company begins to derive economic benefit from the asset

EXOTIX LIMITED

Notes to the financial statements for the year ended 30 June 2013

1 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

g) Matched principal transactions

The company is involved as principal in the purchase and simultaneous commitment to sell equities and securities between third parties. Such trades are complete only when both sides of the deal are settled, and so the company is exposed to risk in the event that one side of the transaction remains unmatched. Substantially all the transactions settle within a short period of time and the settlement risk is considered to be minimal. In order to reflect the substance of these transactions, the amounts due to and payable by counterparties in respect of matched principal business expected to settle in the normal course of trading are offset and the net amount is included in trade debtors. For information purposes, the gross amounts are disclosed in note 10. The majority of trades are settled by ICAP Securities Ltd, a former fellow subsidiary undertaking, which acts as clearing agent.

h) Trade receivables

Trade receivables are recognised at amortised cost less provision for impairment.

i) Derivative financial instruments

Financial assets and liabilities, whose value changes in response to changes in its underlying components and are settled at a future date are designated as derivative financial instruments. Derivatives are used by the company to mitigate financial risks, such as changes in foreign exchange and interest rate. Such instruments are initially recognised at cost or premium paid and subsequently carried at fair value determined by reference to a quoted market price. Gains and losses arising from changes in fair value are recognised in the statement of comprehensive income.

j) Cash and cash equivalents

Cash equivalents includes all investments readily convertible to a known amount of cash and subject to an insignificant risk of changes in value when it has a maturity of three months or less from the date of acquisition.

k) Share capital

Ordinary shares are classified as equity. Dividends are recognised as deductions from retained earnings in the period in which they are declared.

l) Impairment of assets

An impairment review of the recoverable amounts of assets is undertaken at each period end date or when such events or changes in circumstances indicate that an impairment loss may have occurred.

m) Accounting estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. Due to the inherent uncertainty in making estimates, actual results reported in future periods may be based upon amounts which differ from those estimates. Estimates, judgements and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. These estimates and significant judgments deemed critical to the company's results and financial position, based upon materiality are discussed below.

Trade receivables – the company provides for impairment of trade receivables to estimate existing bad debts and amendments to sales invoices. The provision is estimated based on historic trends and future expectations.

EXOTIX LIMITED

Notes to the financial statements for the year ended 30 June 2013

1 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

n) Recent accounting developments

There are a number of new standards, amendments to standards and interpretations that are not mandatory for the financial year ended 31 March 2012 and the directors are considering the impact on the financial statements of the Group and Company

2 FINANCIAL RISK MANAGEMENT

Financial risk factors

The company's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk as explained below. The company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the company's financial performance

The overall financial risk management framework, strategy and policies of the company are determined by the board

a) *Market risk*

Foreign exchange risk

The company is exposed to both transactional and translational fluctuations in the value of financial instruments due to exchange rate movements

Transactional exposure arises from brokerage and remittance of funds in currencies other than the company's functional currency (Sterling), principally United States Dollars. The company policy is to hedge down-side risk on such foreign exchange exposures using derivative financial instruments, such as options. Derivative transactions are only carried out with counterparties of an acceptable credit standing such as global banks with a credit rating of at least AA

Translational exposure arises on the conversion of foreign currency denominated investments into Sterling. The company does not hedge its translational exposure but its impact is mitigated by the company's use of average exchange rates. In addition the impact on the statement of financial position is managed, where appropriate, by structural hedges

It is estimated that, based on year-end exchange rates, a 20% devaluation of the United States Dollar, the Euro, and all other currencies would have impacts of £125,257 (2012 £68,915), £66,727 (2012 £34,011), and £44,796 (2012 £46,805) respectively on the company's profit or loss and equity

The table below summarises the company's exposure to concentrations of foreign currencies as at 30 June 2013

	EUR £'000	USD £'000	GBP £'000	Other £'000	Total £'000
Assets					
Cash and cash equivalents	82	176	2,972	1	3,231
Trade and other receivables	252	875	3,997	223	5,347
	<u>334</u>	<u>1,051</u>	<u>6,969</u>	<u>224</u>	<u>8,578</u>
Liabilities					
Trade and other payables	-	(424)	(3,436)	-	(3,860)
	<u>-</u>	<u>(424)</u>	<u>(3,436)</u>	<u>-</u>	<u>(3,860)</u>
Net financial assets	<u>334</u>	<u>627</u>	<u>3,533</u>	<u>224</u>	<u>4,718</u>

EXOTIX LIMITED

Notes to the financial statements for the year ended 30 June 2013

2 FINANCIAL RISK MANAGEMENT (CONTINUED)

The table below summarises the company's exposure to concentrations of foreign currencies as 31 March 2012

	EUR £'000	USD £'000	GBP £'000	Other £'000	Total £'000
Assets					
Cash and cash equivalents	10	31	3,447	16	3,504
Trade and other receivables	180	650	4,603	225	5,658
	<u>190</u>	<u>681</u>	<u>8,050</u>	<u>241</u>	<u>9,162</u>
Liabilities					
Trade and other payables	(20)	(336)	(4,299)	(7)	(4,662)
	<u></u>	<u></u>	<u></u>	<u></u>	<u></u>
Net financial assets	<u>170</u>	<u>345</u>	<u>3,751</u>	<u>234</u>	<u>4,500</u>

Interest rate risk

The company's interest rate risk arises from cash and cash equivalents where changes in market rates can have an adverse impact on cash flows and income streams arising on the investment of surplus cash in bank deposits. The company estimates that an increase of 1% in interest rates would not have a material impact on the company's statement of comprehensive income and equity.

As at 30 June 2013 there were no instruments with a contracted maturity or re-pricing date in excess of 18 months (2012: none). The company's effective interest rate profile for the period ended 30 June 2013 was as follows:

	<u>Year Ended 30 June 2013</u>			<u>Total</u>
	<u>None</u> £'000	<u>Fixed</u> £'000	<u>Variable</u> £'000	<u>£'000</u>
Assets				
Cash and cash equivalents	-	-	3,231	3,231
Trade and other receivables	5,347	-	-	5,347
	<u>5,347</u>	<u>-</u>	<u>3,231</u>	<u>8,578</u>

As at 31 March 2012 the company's effective interest rate profile was as follows:

	<u>Period Ended 30 June 2012</u>			<u>Total</u>
	<u>None</u> £'000	<u>Fixed</u> £'000	<u>Variable</u> £'000	<u>£'000</u>
Assets				
Cash and cash equivalents	-	-	3,504	3,504
Trade and other receivables	5,658	-	-	5,658
	<u>5,658</u>	<u>-</u>	<u>3,504</u>	<u>9,162</u>

EXOTIX LIMITED

Notes to the financial statements for the year ended 30 June 2013

2 FINANCIAL RISK MANAGEMENT (CONTINUED)

Price risk

The company is only exposed to price risk when one or both counterparties in a matched principal transaction fail to fulfill their obligations, through trade mismatches or when positions are taken. Risk is restricted to short term price movements in the underlying stock held. This is discussed in more detail below in relation to credit risk.

Unmatched transactions are identified and monitored on a daily basis. The company has policies and procedures in place to reduce the likelihood of such situations but should they arise, the policy is to close out positions immediately or, with Senior Management approval, to carry them with an appropriate hedge in place.

Price risk in regards to positions is monitored and controlled by the setting of low cash limits and the use of hedging arrangements, such as swaps, where appropriate.

b) Credit risk

Credit risk arises from the potential that a counterparty is unable or unlikely to perform on an obligation resulting in a loss for the company. The company's exposure to credit risk is limited since it acts as an intermediary whereby business is transacted on an agency or matched principal basis. All counterparties are subject to regular review and assessment by regional credit officers and credit limits are set and approved by the appropriate credit committee.

The company has no significant concentrations of credit risk and the maximum exposure is limited to trade and other receivables (note 11).

c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and ensuring the availability of funding through an adequate amount of committed credit. This is important to ensure that the company can meet all present and future financial obligations as they fall due and comply with regulatory requirements. The company dictates borrowing and investing limits based on an institution's credit rating and the nature of financial instruments that can be held.

Overall the company's exposure to liquidity risk is not significant. The outstanding liabilities as at 30 June 2012 are payable within 3 months.

d) Fair value

As at 30 June 2013 there were no significant differences between book values and fair values of financial assets and liabilities.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arms length transaction. The fair values of financial instruments are determined as per the company's accounting policies.

EXOTIX LIMITED

Notes to the financial statements for the year ended 30 June 2013

2 FINANCIAL RISK MANAGEMENT (CONTINUED)

e) Capital Management

Capital includes share capital and reserves held on the statement of financial position. During the year the company has complied with the capital requirements imposed by the Financial Services Authority by which it is regulated.

Financial assets and liabilities

The company's financial assets are analysed below.

Classification of financial assets and liabilities as at 30 June 2013

	<u>Loans and receivables</u> £'000	<u>Total</u> £'000
Financial assets		
Cash and cash equivalents	3,231	3,231
Trade receivables	1,285	1,285
Other receivables	4,062	4,062
	<u>8,578</u>	<u>8,578</u>
Financial liabilities		
Trade and other payables	<u>3,860</u>	<u>3,860</u>

Classification of financial assets and liabilities as at 31 March 2012

	<u>Loans and receivables</u> £'000	<u>Total</u> £'000
Financial assets		
Cash and cash equivalents	3,504	3,504
Trade receivables	1,021	1,021
Other receivables	4,637	4,637
	<u>9,162</u>	<u>9,162</u>
Financial liabilities		
Trade and other payables	<u>4,662</u>	<u>4,662</u>

3 ADMINISTRATIVE EXPENSES

Included within administrative expenses is management charge income of £Nil (2012 £272,649) charged to fellow subsidiary undertakings of which £Nil (2012 £Nil) was outstanding at the period end.

Also included in administrative expenses are foreign exchange losses, other than those arising on financial instruments measured at fair value through profit and loss, of £9,225 (2012 £29,117).

The company's administrative expenses also include lease payments during the period of £375,364 (2012 £474,576).

EXOTIX LIMITED

Notes to the financial statements for the year ended 30 June 2013

4 AUDITORS REMUNERATION

During the year the company obtained the following services from the company's auditor and associates and paid the following amounts

	<u>Year ended</u> <u>30 June 2013</u> £'000	<u>Period ended</u> <u>30 June 2012</u> £'000
Auditors' remuneration for audit services	10	10
Auditors' remuneration for non-audit services		
- tax services	11	25
- payroll services	-	8
- other services	1	1
Total non-audit fees	<u>30</u>	<u>34</u>

5 WAGES AND SALARIES

	<u>Year ended</u> <u>30 June 2013</u> £'000	<u>Period ended</u> <u>30 June 2012</u> £'000
Employee costs		
Wages and salaries	817	6,336
Social security costs	-	669
Other pension costs	-	244
	<u>817</u>	<u>7,249</u>

The number of persons employed by the company at the period end was 8 compared with an average number of people employed during the period of 7 (2012 46)

6 DIRECTORS' REMUNERATION

D Gelber received no emoluments for his services to the company (2012 £Nil)

Remuneration payable to the other directors in respect of their services to the company was as follows

	<u>Year ended</u> <u>30 June 2013</u>		<u>Period ended</u> <u>30 June 2012</u>	
	Total £'000	<u>Highest paid director</u> £'000	Total £'000	<u>Highest paid director</u> £'000
Aggregate emoluments	-	-	1,050	558
Contributions to defined contribution pension schemes	-	-	15	9
	<u>-</u>	<u>-</u>	<u>1,065</u>	<u>567</u>

As at 30 June 2013, no retirement benefits are accruing to directors (2012 2 directors) under defined contribution schemes

EXOTIX LIMITED

Notes to the financial statements for the year ended 30 June 2013

7 FINANCE INCOME

	<u>Year</u> <u>ended</u> <u>30 June 2013</u> £'000	<u>Period</u> <u>ended</u> <u>30 June 2012</u> £'000
Bank deposits	<u>8</u>	<u>80</u>

8 TAXATION

	<u>Year</u> <u>ended</u> <u>30 June 2013</u> £'000	<u>Period</u> <u>ended</u> <u>30 June 2012</u> £'000
a) Analysis of charge for the year		
Current taxation		
UK corporation tax	36	10
Adjustments to prior periods	-	(42)
	<u>36</u>	<u>(32)</u>
b) Factors affecting the taxation charge for the year		
(Loss)/profit before taxation	<u>227</u>	<u>(342)</u>
Profit before taxation multiplied by standard rate of corporation tax in the UK of 24% (2011 26%)	54	(88)
Effects of		
Expenses not deductible for tax purposes (primarily client entertainment)	1	32
Depreciation for the period in excess of capital allowances	-	25
Tax adjustments and other differences	(19)	41
Adjustment to prior periods	-	(42)
	<u>(18)</u>	<u>56</u>
Tax charge for year	<u>36</u>	<u>(32)</u>
Effective tax rate	16%	

EXOTIX LIMITED

Notes to the financial statements for the year ended 30 June 2013

9 PROPERTY, PLANT AND EQUIPMENT

	<u>Computer software and hardware</u> £'000	<u>Fixtures and Fittings</u> £'000	<u>Leasehold Improvements</u> £'000	<u>Total</u> £'000
Cost				
As at 1 April 2012	56	32	61	149
Additions	3	-	-	3
As at 30 June 2013	<u>59</u>	<u>32</u>	<u>61</u>	<u>152</u>
Depreciation				
As at 1 April 2012	21	12	23	56
Charge for the year	12	6	12	30
As at 30 June 2013	<u>33</u>	<u>18</u>	<u>35</u>	<u>86</u>
Net book value				
As at 30 June 2013	<u>26</u>	<u>14</u>	<u>26</u>	<u>66</u>
As at 31 March 2012	<u>35</u>	<u>20</u>	<u>38</u>	<u>93</u>
	£'000	£'000	£'000	£'000
Cost				
As at 1 April 2011	642	187	220	1,049
Additions	12	2	-	14
Disposals	(598)	(157)	(159)	(914)
As at 30 June 2012	<u>56</u>	<u>32</u>	<u>61</u>	<u>149</u>
Depreciation				
As at 1 April 2011	435	79	52	566
Charge for the year	138	44	53	235
Disposals	(552)	(111)	(82)	(745)
As at 30 June 2012	<u>21</u>	<u>12</u>	<u>23</u>	<u>56</u>
Net book value				
As at 30 June 2012	<u>35</u>	<u>20</u>	<u>38</u>	<u>93</u>
As at 31 March 2011	<u>207</u>	<u>108</u>	<u>168</u>	<u>483</u>

10 TRADE AND OTHER RECEIVABLES

	<u>As at 30 June 2013</u> £'000	<u>As at 30 June 2012</u> £'000
Trade receivables	1,285	1,021
Amounts due by related undertakings (note 18)	3,522	3,807
Other Debtors	170	298
Prepayments and accrued income	370	532
	<u>5,347</u>	<u>5,658</u>

EXOTIX LIMITED

Notes to the financial statements for the year ended 30 June 2013

10 TRADE AND OTHER RECEIVABLES (CONTINUED)

The company is involved as principal in the purchase and simultaneous commitment to sell securities between third parties on behalf of its appointed representatives Exotix Partners LLP and Deydun Markets Limited. As at 30 June 2013 the gross amount of the sale commitments in respect of such outstanding transactions was £70.8m (2012: £54.6m).

Amounts due from related undertakings of £3,522,267 (2012: £3,806,638) relates to an advance made to Exotix Investment Partners LLP, whose partners are also shareholders in the ultimate parent undertaking of the company. Post year-end, the company entered into an agreement with Exotix Partners LLP and Exotix Investment Partners LLP to novate the balance owed to the company to Exotix Partners LLP in settlement of balances owed to Exotix Partners LLP by the company.

The majority of net trade receivables which are neither impaired nor past their normal settlement dates are held with high quality credit institutions. No trade receivables are identified as impaired.

As at 30 June 2013 the following trade receivables were past their normal settlement date, but had not been impaired:

	<u>As at</u> <u>30 June 2013</u> £'000	<u>As at</u> <u>30 June 2012</u> £'000
Less than 30 days	179	206
Over 30 days, but less than 90 days	111	162
Over 90 days	283	57
	<u>573</u>	<u>425</u>

Debtors over 90-days due represent sums owed by an institution that applied the advisory fees to a contract entered into by an associated company. Post year-end the balance was assigned to the associated company but remains unpaid.

11 HELD-FOR-TRADING INVESTMENTS

	<u>As at</u> <u>30 June 2013</u> £'000	<u>As at</u> <u>30 June 2012</u> £'000
Unlisted securities		
At beginning of year	-	11,669
Additions	-	172
Disposals	-	(11,712)
Realised loss on disposal	-	(129)
	<u>-</u>	<u>-</u>

EXOTIX LIMITED

Notes to the financial statements for the year ended 30 June 2013

12 CASH AND CASH EQUIVALENTS

	<u>As at</u> <u>30 June 2013</u> £'000	<u>As at</u> <u>30 June 2012</u> £'000
Cash at bank and in hand	1,381	1,654
Short-term bank deposits	1,850	1,850
	<u>3,231</u>	<u>3,504</u>

The effective interest rates are disclosed in note 2. The short term deposits have a maturity of less than 30 days.

At the period-end, £1.85m (2012: £1.85m) was held in a deposit account over which the clearing agent of the business (ICAP Securities Limited, a former fellow subsidiary undertaking of the company) has right of access should they suffer loss as a result of acting as clearing agent pursuant to the Guarantee disclosed in Note 15.

13 TRADE AND OTHER PAYABLES

	<u>As at</u> <u>30 June 2013</u> £'000	<u>As at</u> <u>30 June 2012</u> £'000
Other trade payables	172	734
Amounts owed to group undertakings (note 18)	1,390	1,831
Accruals	497	247
	<u>2,059</u>	<u>2,812</u>

14 CALLED UP SHARE CAPITAL

	<u>As at</u> <u>30 June 2013</u> £'000	<u>As at</u> <u>30 June 2012</u> £'000
Authorised, allotted and fully paid 1,000,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

15 GUARANTEES

As part of a clearing arrangement between Exotix Limited and ICAP Securities Limited the company granted an indemnity to ICAP Securities Limited for any loss incurred as a result of it acting as a clearing agent to the company.

16 COMMITMENTS UNDER OPERATING LEASES

At the period-end date, the company had outstanding commitments for future minimum lease payments and other costs under non-cancellable operating leases, which fall due as follows:

	<u>30 June 2013</u> £'000	<u>30 June 2012</u> £'000
Within one year	375	374
In two to five years	55	418
	<u>430</u>	<u>792</u>

Post year-end the company entered into agreements to transfer the commitments under operating leases to Exotix Partners LLP, a partnership under common control.

EXOTIX LIMITED

Notes to the financial statements for the year ended 30 June 2013

17 CLIENT MONEY

	<u>As at 30 June 2013</u> £'000	<u>As at 30 June 2012</u> £'000
Amounts due to clients	<u>4,015</u>	<u>208</u>

These amounts are held on behalf of clients and are not held on the company's balance sheet

Post year-end, following the withdrawal of regulatory permissions, the company arranged to transfer sums held on client money accounts to Exotix Partners LLP, a partnership under common control

18 RELATED PARTY TRANSACTIONS

Control

The company is controlled by its parent company, Exotix Holdings Limited (incorporated in United Kingdom), which owns a beneficial interest in 100% of the Company's shares via an intermediate holding company Exotix (1) Limited

Group reorganisation

On 31 May 2012 the company entered into agreements with Exotix Partners LLP under which Exotix Partners LLP would acquire the business of the company once regulatory permissions had been received. In the interim Exotix Partners LLP conducts its business as an appointed representative of the company. During the year the company received income of £1,926,000 (2012: £225,000) as a result of this relationship.

On the same day the company sold its trade to Exotix Partners LLP it also sold its available for sale investment in the Insparo Africa and Middle East Fund (the "Fund") to Exotix Investment Partners LLP, an entity under common control but not within the same group. This transaction was effected on arms-length terms based on the latest available information available from the administrator of the Fund.

In May 2012, the company has also entered into a number of financing arrangements related to these transactions the net effect of which are that the company advanced £3,806,638 to Exotix Investment Partners LLP and received funding of £3,540,333 from Exotix Partners LLP. At the end of the year, £3,522,267 remained outstanding.

Intra-group indebtedness

	<u>As at</u> <u>30 June 2013</u> £'000	<u>As at</u> <u>30 June 2012</u> £'000
Repayable within one year:		
Parent undertaking	-	90
Fellow subsidiary undertakings	<u>1,390</u>	<u>1,741</u>
	<u>1,390</u>	<u>1,831</u>
Subordinated debt repayable after more than one year:		
Fellow subsidiary undertakings	<u>1,850</u>	<u>1,850</u>

Subordinated debt

During the prior period the company issued, to Exotix Partners LLP, £1,850,000 of subordinated debt that has a maturity of 1 June 2018 and carries an annual interest rate of 4% a year above the Bank of England base rate. The debt has been subordinated to the prior repayment of all other loans, obligations or guarantees of the company and to the claims of all other creditors of the company without the right of set-off.

Exotix Partners LLP waived its rights to interest in the year under review as detailed more fully in note 20.

EXOTIX LIMITED

Notes to the financial statements for the year ended 30 June 2013

18 RELATED PARTY TRANSACTIONS (CONTINUED)

Collateral

Of the sum repayable within one year to fellow subsidiary undertakings, £1,238,789 (2012 £1,690,333) has been provided as collateral against the assumption of risk by the company in acting as the principal of its appointed representative Exotix Partners LLP

Management fee income

During the period the company received management fee income of £Nil (2012 £272,649) from the following fellow subsidiary undertakings

- Exotix Investments Limited, £Nil (2012 £33,391) for the provision of investment advice, and
- Exotix (2) Limited, £Nil (2012 £14,258) for the provision of investment advice

19 REMUNERATION OF KEY PERSONNEL

There are no key management personnel other than the directors of the company Directors' remuneration is disclosed in note 6

20 POST BALANCE SHEET EVENTS

Upon receipt of regulatory permissions for Exotix Partners LLP, the company was able to finalise the sale of the business through the transfer of the operations of the Dubai branch

In July 2013 Exotix Partners LLP received the regulatory approvals required to trade in its own name and as a result terminated the appointed representative agreement with the company As a result, the company has no ongoing source of income and ceased trading following the consent of both the Financial Conduct Authority and the Dubai Financial Services Authority to deregister the company

As a result of the foregoing the company is no longer required to hold a minimum level of regulatory capital and agreed with Exotix Partners LLP that the subordinated debt issued in 2012 could be prepaid without penalty and in return for releasing the partnership from its obligations under the loan agreement the partnership agreed to waive rights to accrued income on the loan

In September 2013 the shareholders of the company approved a capital restructuring (reducing the issued share capital from 1,000,000 shares of £1 each to 1,000,000 shares of 0.0001p each) that would subsequently allow the declaration of a dividend of £4.7m