

**Company Number: 2553782**

**INTERCAPITAL COMMODITY SWAPS LIMITED**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**31 MARCH 2001**



# **INTERCAPITAL COMMODITY SWAPS LIMITED**

## **Directors' Report for the year ended 31 March 2001**

The directors present their report and the audited financial statements of the company for the year ended 31 March 2001.

### **PRINCIPAL ACTIVITY**

The company acts as an agency broker in the commodity derivatives market, and is regulated by the Securities and Futures Authority.

### **BUSINESS REVIEW AND FUTURE DEVELOPMENTS**

The directors consider that the year end financial position was satisfactory.

### **RESULTS AND DIVIDENDS**

The results of the company are set out in the profit and loss account on page 4. The directors do not recommend the payment of a dividend (2000: £Nil). The retained profit for the year of £1,114,000 (2000: £422,000 loss) has been transferred to reserves.

### **DIRECTORS AND DIRECTORS' INTERESTS**

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

D Gelber	
P Newman	
J N Pettigrew	
M A Spencer	
G D Roblin	- resigned 11 August 2000
V E Cruwys	- appointed 1 August 2000

None of the directors had any interests in the shares of the company during the period. The interests of the directors and their families in the share capital of the ultimate parent company, Garban-Intercapital plc, are shown in Note 7 to the financial statements.

### **DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS**

Company law requires the directors to prepare financial statements for each accounting period 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 period.

The directors confirm that suitable accounting policies have been used and that these policies have been applied on a consistent basis. The directors also confirm that applicable accounting standards have been followed and that reasonable and prudent judgements and estimates have been made in preparing the financial statements.

The directors are responsible for keeping proper accounting records which 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. 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.

# **INTERCAPITAL COMMODITY SWAPS LIMITED**

## **Directors' Report for the year ended 31 March 2001**

### **LAYING OF REPORTS AND ACCOUNTS**

The company has passed an elective resolution dispensing with the requirement to lay reports and accounts before the members of the company in general meeting. However, under the provisions of Section 253(2) of the Companies Act 1985 (as amended), any member of the company has the right to require this report and accounts to be laid before the members of the company in general meeting. Any member wishing to exercise this right must deposit notice at the company's registered office within 28 days of the date of this report.

### **AUDITORS**

The company has passed an elective resolution dispensing with the requirement to appoint auditors annually. The company's auditors, PricewaterhouseCoopers, have indicated their willingness to continue in office.

By Order of the Board

  
H Broomfield  
Secretary

25 May 2001

# **INTERCAPITAL COMMODITY SWAPS LIMITED**

## **Auditors' Report to the members of Intercapital Commodity Swaps Limited**

We have audited the financial statements on pages 4 to 11 which have been prepared under the historical cost convention and the accounting policies set out in note 1 to the financial statements.

### **Respective responsibilities of directors and auditors**

The directors are responsible for preparing the Annual Report. As described on page 1, this includes responsibility for preparing the financial statements, in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and our profession's ethical guidance.

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 United Kingdom Companies Act. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if 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 transactions is not disclosed.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

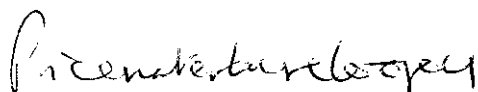
### **Basis of audit opinion**

We conducted our audit in accordance with Auditing Standards 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.

### **Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 March 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**PricewaterhouseCoopers**  
**Chartered Accountants and Registered Auditors**  
**LONDON**  
**25 May 2001**

# INTERCAPITAL COMMODITY SWAPS LIMITED

## Profit and Loss Account for the year ended 31 March 2001

	Note	<u>Year ended 31/3/2001</u> £'000	<u>Year ended 31/3/2000</u> £'000
<b>Turnover</b>	1(b)	9,388	5,589
Administrative expenses	4	(7,783)	(5,916)
<b>Operating profit/(loss)</b>		<u>1,605</u>	<u>(327)</u>
Interest receivable and similar income	8	54	67
Interest payable and similar charges	9	(52)	(32)
<b>Profit/(loss) on ordinary activities before taxation</b>		<u>1,607</u>	<u>(292)</u>
Taxation on profit/(loss) on ordinary activities	10	(493)	(130)
<b>Retained profit/(loss) for the financial period</b>	15	<u><u>1,114</u></u>	<u><u>(422)</u></u>

Turnover and operating profit/(loss) were derived wholly from continuing operations.

The company had no recognised gains and losses for the period other than those included in the profit and loss account and therefore no separate statement of total recognised gains and losses is presented.

There is no difference between the profit/(loss) on ordinary activities before tax and the retained profit/(loss) for the period stated above and their historical cost equivalents.

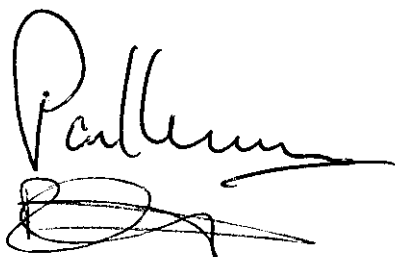
# INTERCAPITAL COMMODITY SWAPS LIMITED

Balance Sheet as at 31 March 2001

	Note	As at 31/3/2001 £'000	As at 31/3/2000 £'000
<b>Fixed assets</b>			
Investment in subsidiary undertakings	11	228	228
<b>Current assets</b>			
Debtors	12	4,734	992
Cash at bank and in hand		848	831
		<u>5,582</u>	<u>1,823</u>
<b>Creditors: amounts falling due within one year</b>	13	<u>(3,871)</u>	<u>(1,226)</u>
<b>Net current assets</b>		<u>1,711</u>	<u>597</u>
<b>Net assets</b>		<u>1,939</u>	<u>825</u>
<b>Capital and reserves</b>			
Called up share capital	14	108	108
Share premium account	15	10	10
Other reserves	15	5	5
Profit and loss account	15	1,816	702
<b>Equity shareholders' funds</b>	15	<u>1,939</u>	<u>825</u>

The financial statements on pages 4 to 11 were approved by the board of directors on 25 May 2001 and were signed on its behalf by:

P Newman       )  
                      ) Directors  
V E Cruwys     )



# **INTERCAPITAL COMMODITY SWAPS LIMITED**

## **Notes to the financial statements for the year ended 31 March 2001**

### **1. PRINCIPAL ACCOUNTING POLICIES**

#### **(a) Basis of preparation**

The financial statements have been prepared under the historical cost convention and in accordance with Accounting Standards applicable in the United Kingdom.

The company's principal accounting policies are unchanged compared with the year ended 31 March 2000.

#### **(b) Turnover**

Turnover comprises commission and brokerage income derived from broking services supplied to third parties which is recognised on the date on which the transaction occurs.

#### **(c) Investments**

Fixed asset investments are stated at historical cost less provision for any permanent diminution in their value.

#### **(d) Foreign currencies**

Transactions denominated in foreign currencies are translated into sterling at the rates of exchange ruling when the transaction is recorded.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rates of exchange ruling at the balance sheet date.

All exchange differences are dealt with in the profit and loss account.

### **2. SEGMENTAL INFORMATION**

In the opinion of the directors the company has a single class of business which is conducted principally in the United Kingdom.

### **3. CASH FLOW STATEMENT**

As more than 90% of the voting rights of the company are controlled by Garban-Intercapital plc which publishes a consolidated cash flow statement, the company is not required to present a cash flow statement in its own financial statements under Financial Reporting Standard 1 "Cash Flow Statements".

# INTERCAPITAL COMMODITY SWAPS LIMITED

## Notes to the financial statements for the year ended 31 March 2001

### 4. ADMINISTRATIVE EXPENSES

Administrative expenses consist principally of costs that were borne by fellow subsidiaries of Garban-Intercapital plc and charged to the company by way of group management recharges. A management recharge of £7,783,000 (2000: £5,535,000) has been made by a fellow subsidiary undertaking. Other operating expenses borne directly by the company totalled £Nil (2000: £380,000).

### 5. STAFF COSTS

All staff costs were borne by fellow subsidiary undertakings of Garban-Intercapital plc and were charged to the company by way of the group management charges referred to in note 4.

### 6. DIRECTORS' REMUNERATION

M A Spencer, J N Pettigrew and D Gelber are directors of the company's ultimate parent undertaking, Garban-Intercapital plc, and their remuneration is disclosed in the financial statements of that company.

V E Cruwys and G D Roblin received no emoluments for their services as directors to this company. Their emoluments are disclosed in the accounts of fellow subsidiary, Garban-Intercapital Management Services Limited.

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

	<u>Year ended 31/3/2001</u>		<u>Year ended 31/3/2000</u>	
	Total	Highest paid director	Total	Highest paid director
	£'000	£'000	£'000	£'000
Aggregate emoluments	261	261	172	172
Contributions to defined contribution pension schemes	9	9	9	9
	<u>270</u>	<u>270</u>	<u>181</u>	<u>181</u>

As at 31 March 2001, retirement benefits are accruing to 1 director (2000: 1 director) under defined contribution schemes sponsored by Garban-Intercapital plc.



# INTERCAPITAL COMMODITY SWAPS LIMITED

## Notes to the financial statements for the year ended 31 March 2001

### 7. DIRECTORS' INTERESTS

M A Spencer, J N Pettigrew and D Gelber are directors of the company's ultimate parent undertaking, Garban-Intercapital plc, and their interests are disclosed in the financial statements of that company.

Other directors' interests in shares were as follows:

	Ordinary shares	
	As at 1/04/2000†	As at 31/3/2001
<b>Garban-Intercapital plc</b>		
<b>Ordinary shares of 50p each</b>		
V E Cruwys	3,168	3,168
P Newman	<u>261,588</u>	<u>11,588</u>

† or date of appointment if later

Other directors' interests in options over shares were as follows:

	Scheme	As at 1/4/2000	Granted	Exercised	Lapsed	As at 31/3/2001	Exercise price (p)
<b>Garban-Intercapital plc</b>							
<b>Ordinary shares of 50p each</b>							
P Newman	SAYE*	<u>5,504</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,504</u>	<u>176.00</u>

\* Garban-Intercapital plc made a grant of options under its SAYE scheme on 17 January 2000. Options are exercisable three years from 1 March 2000.

Except as disclosed above, none of the directors in office at 31 March 2001 held any interests in the securities of the company, its ultimate parent undertaking, Garban-Intercapital plc, or any of its fellow subsidiary undertakings.

### 8. INTEREST RECEIVABLE AND SIMILAR INCOME

	Year ended 31/3/2001 £'000	Year ended 31/3/2000 £'000
Bank deposits	<u>54</u>	<u>67</u>

### 9. INTEREST PAYABLE AND SIMILAR CHARGES

	Year ended 31/3/2001 £'000	Year ended 31/3/2000 £'000
Bank interest payable	1	-
Interest payable on subordinated loans	<u>51</u>	<u>32</u>
	<u>52</u>	<u>32</u>

**INTERCAPITAL COMMODITY SWAPS LIMITED**  
**Notes to the financial statements for the year ended 31 March 2001**

**10. TAXATION ON PROFIT ON ORDINARY ACTIVITIES**

	<u>Year ended 31/3/2001 £'000</u>	<u>Year ended 31/3/2000 £'000</u>
UK corporation tax at 30% (2000: 30.2%)	472	154
Adjustment to prior periods	21	(24)
	<u>493</u>	<u>130</u>

**11. INVESTMENT IN SUBSIDIARY UNDERTAKINGS**

	<u>Shares held in Subsidiary undertakings £'000</u>
<b>Cost</b>	
As at 1 April 2000 and 31 March 2001	<u>398</u>
<b>Provisions</b>	
As at 1 April 2000 and 31 March 2001	<u>170</u>
<b>Net book value</b>	
As at 1 April 2000 and 31 March 2001	<u>228</u>

At 31 March 2001, the company's principal subsidiary undertakings were as follows:

<u>Name</u>	<u>Country of incorporation and operation</u>	<u>Class of share</u>	<u>Percentage held</u>
Valerie Chitty Services Limited	England & Wales	100,000 Ordinary 1p shares	100% held
Intercapital Commodity Swaps Pte Limited	Singapore	127,500 Ordinary S\$1 shares	100% held
* Alpha Brokers (Metals) Holdings Limited	England & Wales	100 Ordinary £1 shares	100% held
* Garban-Intercapital (Metals) Limited	England & Wales	30,000 Ordinary £1 shares	100% held
* Indirectly owned			

All subsidiaries are involved in money and securities broking or related service activities.

The company has exercised its entitlement under Section 228 of the Companies Act 1985 (as amended) to dispense with the requirement to produce group accounts.

**INTERCAPITAL COMMODITY SWAPS LIMITED**  
**Notes to the financial statements for the year ended 31 March 2001**

**12. DEBTORS**

	As at 31/3/2001 £'000	As at 31/3/2000 £'000
Trade debtors	1,697	982
Other debtors	86	10
Amounts owed by immediate parent undertaking	2,895	-
Prepayments and accrued income	56	-
	<u>4,734</u>	<u>992</u>

**13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	As at 31/3/2001 £'000	As at 31/3/2000 £'000
Amounts owed to fellow subsidiary undertakings	2,128	577
Amounts owed to associates and joint ventures	6	-
Subordinated loans	1,000	500
Group relief payable to fellow subsidiary undertakings	634	140
Other creditors	5	-
Accruals and deferred income	98	9
	<u>3,871</u>	<u>1,226</u>

Included within subordinated loans is a loan from Intercapital Group Limited of £500,000 (2000: £500,000). Also included within subordinated loans is a loan from Intercapital plc of £500,000 (2000: £Nil). Both loans are approved subordinated loans under the rules of the Securities and Futures Authority, and interest is charged at 1% above UK base rates.

**14. CALLED UP SHARE CAPITAL**

	As at 31/3/2001 £'000	As at 31/3/2000 £'000
Authorised:		
76,650 Ordinary A shares of £1 each	77	77
25,000 Ordinary B shares of £1 each	25	25
48,250 Ordinary C shares of £1 each	48	48
	<u>150</u>	<u>150</u>
Allotted and fully paid:		
58,157 Ordinary A shares of £1 each	58	58
25,000 Ordinary B shares of £1 each	25	25
25,250 Ordinary C shares of £1 each	25	25
	<u>108</u>	<u>108</u>

There is no difference in the rights attached to these shares.

# INTERCAPITAL COMMODITY SWAPS LIMITED

## Notes to the financial statements for the year ended 31 March 2001

### 15. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	<u>Share capital</u> (note 14) £'000	<u>Share premium account</u> £'000	<u>Other reserves</u> £'000	<u>Profit and loss account</u> £'000	<u>Total</u> £'000
As at 1 April 2000	108	10	5	702	825
Retained profit for the year	-	-	-	1,114	1,114
As at 31 March 2001	<u>108</u>	<u>10</u>	<u>5</u>	<u>1,816</u>	<u>1,939</u>

### 16. RELATED PARTY TRANSACTIONS

As more than 90% of the voting rights of the company are controlled by Garban-Intercapital plc which publishes consolidated financial statements, no disclosure is required under Financial Reporting Standard 8 "Related party disclosures" of any transactions between the company and the other members, associates or joint ventures of the group of undertakings headed by Garban-Intercapital plc.

The company has a subordinated loan of £500,000 (2000: £500,000) with Intercapital Group Limited, a related party. Details of the loan are disclosed in Note 12. During the year, interest payable on the loan amounted to £50,586 (2000: £31,771). As at 31 March 2001, the unpaid interest amounted to £118,330 (2000: £67,744).

### 17. ULTIMATE PARENT UNDERTAKING

The company's immediate parent undertaking is Intercapital plc, which does not prepare consolidated financial statements.

The company's ultimate parent undertaking is Garban-Intercapital plc, which heads the smallest and largest group of undertakings of which the company is a member that prepares consolidated financial statements. Copies of the consolidated financial statements of Garban-Intercapital plc can be obtained from the Company Secretary, Garban-Intercapital plc, Park House, 16 Finsbury Circus, London, EC2M 7UR.