
Edgar Astaire & Co. Limited

**Report and Financial Statements
For the year ended 31st March 1996**

Registered Number 2768453



Edgar Astaire & Co. Limited
Report and Financial Statements
For the year ended 31st March 1996

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Report of the directors

The directors present their report and the audited financial statements for the year ended 31st March 1996.

Principal activities and business review

The profit and loss account is set out on page 4.

The principal activity of the company is as a stockbroker and it is a Broad Scope member of The Securities and Futures Authority Limited. The company is also a member of the London Stock Exchange.

Dividends and transfers to reserves

The directors do not recommend the payment of a dividend. The profit for the financial year of £2,161,735 will be transferred to reserves.

Directors

Directors during the year were:

Edgar Astaire
Gary Gladstein
Scott Bessent
Richard Katz

Directors' interests

Directors' interests in the ordinary share capital of the company were as follows:

	31st March 1996 Number	1st April 1995 Number
Edgar Astaire	50,000	50,000

Directors' responsibilities

The directors are required by UK company law to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss of the company for that period.

The directors confirm that suitable accounting policies have been used and applied consistently and that reasonable and prudent judgements and estimates have been made in the

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Directors' responsibilities (continued)

preparation of the financial statements for the year ended 31st March 1996. The directors also confirm that applicable accounting standards have been followed and that the financial statements have been prepared on the going concern basis.

The directors are responsible for keeping proper accounting records, for safeguarding the assets of the company and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

The company having passed an elective resolution to dispense with the requirement to re-appoint auditors annually, it is proposed that Coopers & Lybrand will continue in office.

By order of the board



Sheila Lipscombe
Company secretary
26th June 1996

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Report of the auditors to the members of
Edgar Astaire & Co. Limited

We have audited the financial statements on pages 4 to 14.

Respective responsibilities of directors and auditors

As described on page 2, the company's directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of 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 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 by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of the information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company at 31st March 1996 and of its profit and cash flows for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Coopers & Lybrand

Coopers & Lybrand
Chartered Accountants and Registered Auditors
London
26th June 1996

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Profit and loss account

	Notes	1996 £	1995 £
Turnover		4,136,271	2,814,905
Staff costs	2	927,532	665,313
Other operating costs		91,235	381,304
		<hr/>	<hr/>
Operating profit	4	3,117,504	1,768,288
Net interest receivable	5	124,813	29,129
		<hr/>	<hr/>
Profit on ordinary activities before taxation		3,242,317	1,797,417
Tax on profit on ordinary activities	6	1,080,582	605,605
		<hr/>	<hr/>
Profit after taxation	12	2,161,735	1,191,812
		<hr/> <hr/>	<hr/> <hr/>

The company has no recognised gains and losses other than the profits above, and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the profit on ordinary activities before taxation and the retained profit for the year, as stated above, and their historical cost equivalents.

All the company's activities are continuing activities

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Balance Sheet

	Notes	1996 £	1995 £
Fixed assets			
Tangible assets	7	27,949	45,690
		<hr/>	<hr/>
Current assets			
Long positions in securities		3,782,895	614,232
Debtors	8	97,231,652	5,380,281
Cash at bank and in hand		3,262,379	2,701,879
		<hr/>	<hr/>
		104,276,926	8,696,392
Creditors: amounts falling due within one year	9	99,292,985	5,891,927
		<hr/>	<hr/>
Net current assets		4,983,941	2,804,465
		<hr/>	<hr/>
Total assets less current liabilities		5,011,890	2,850,155
Creditors: amounts falling due after more than one year	10	500,000	500,000
		<hr/>	<hr/>
Net assets		4,511,890	2,350,155
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	11	500,000	500,000
Profit and loss account	12	4,011,890	1,850,155
		<hr/>	<hr/>
Equity shareholders' funds		4,511,890	2,350,155
		<hr/>	<hr/>

The financial statements on pages 4 to 14 were approved by the board of directors on 26th June 1996 and signed on its behalf by:

Edgar Astaire



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Cash flow statement

	Notes	1996 £	1995 £
Net cash inflow / (outflow) from operating activities	14	1,053,864	(405,442)
		<hr/>	<hr/>
Returns on investments and servicing of finance			
Interest paid		(39,517)	(40,782)
Interest received		163,830	68,541
		<hr/>	<hr/>
Net cash inflow on investments and servicing of finance		124,313	27,759
		<hr/>	<hr/>
Taxation			
UK corporation tax paid		(602,287)	(344,288)
		<hr/>	<hr/>
Investing activities			
Purchase of tangible fixed assets		(15,390)	(20,510)
		<hr/>	<hr/>
Net cash inflow / (outflow) before financing		560,500	(742,481)
		<hr/>	<hr/>
Financing			
Net cash inflow from financing		Nil	Nil
		<hr/>	<hr/>
Increase / (Decrease) in cash and cash equivalents	15	560,500	(742,481)
		<hr/> <hr/>	<hr/> <hr/>

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Notes to the Financial Statements

1 Accounting policies

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been consistently applied, is set out below.

Basis of accounting

The financial statements are prepared in accordance with the historical cost convention with the exception of positions in securities which are valued at market value.

Turnover

Turnover represents dealing profits and losses and commissions receivable on securities trading activities, exclusive of value added tax and stamp duty.

All turnover and net assets relate to activities in the United Kingdom.

Positions in securities

Long and short positions in securities are valued at current bid and offer prices respectively.

Depreciation

Depreciation of tangible fixed assets is calculated to write off their cost or valuation over their expected useful lives in equal annual instalments as follows:

Furniture and fittings	33%
Office equipment	33%

Foreign currencies

Transactions denominated in currencies other than sterling are translated into sterling using the relevant closing mid market rate of exchange for the month in which the transaction was executed. Assets and liabilities denominated in currencies other than sterling are translated into sterling using the relevant closing mid market rate of exchange. Where appropriate the rate of exchange under the terms of any related or matching forward contract is used. All exchange gains or losses are reported as part of the profit for the period from ordinary activities.

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1 Accounting policies (continued)

Deferred taxation

Where a tax liability is expected to crystallise, deferred taxation is provided in respect of differences arising from the inclusion of income and expenditure in taxation computations in periods different from those in which they are included in the accounts.

Leased assets

Rentals under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

Pensions

The company does not operate a pension scheme for employees. Company contributions to employees' personal pension plans are charged to the profit and loss account as incurred.

2 Staff costs

The average number of persons, including directors, employed by the company during the year was eight (1995 eight).

The costs incurred during the period in respect of these employees were as follows:

	1996 £	1995 £
Wages and salaries	792,451	564,384
Social security costs	82,020	57,567
Pension contributions	44,958	38,004
Other staff costs	8,103	5,358
	<hr/>	<hr/>
	927,532	665,313
	<hr/>	<hr/>

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3 Directors' remuneration

Emoluments of directors were as follows:

	1996	1995
	£	£
Fees	Nil	Nil
Other emoluments (including pension contributions)	338,388	199,752

In addition, during 1995 the services of John Purvis (who resigned as a director on 1st January 1995) were provided by Purvis & Company to whom fees of £5,833 were paid during that year. These amounts are included in the banding set out below.

Emoluments (excluding pension contributions) include amounts paid to:

Chairman and highest paid director	318,388	183,919
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The number of directors (including the Chairman) who received fees and other emoluments (excluding pension contributions) within the following ranges was:

	1996	1995
	Number	Number
£0-£5,000	3	5
£5,001-£10,000	Nil	1
£180,001-£185,000	Nil	1
£315,001-£320,000	1	Nil

4 Profit on ordinary activities

	1996	1995
	£	£
Profit on ordinary activities is arrived at after charging/(crediting):		
Auditors' remuneration for audit	8,500	8,500
Auditors' remuneration for non-audit services	13,695	22,577
Depreciation	33,131	27,967
Operating lease charges	31,997	33,766
Foreign exchange	(241,376)	209,022

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5 Net interest receivable

Interest payable

Bank loans and overdrafts repayable within five years	1,501	16,633
Other loans repayable within five years	37,516	17,167
Other interest payable	Nil	5,612
	<u>39,017</u>	<u>39,412</u>
Interest receivable	163,830	68,541
	<u>124,813</u>	<u>29,129</u>

6 Tax on profit on ordinary activities

	1996	1995
	£	£
UK corporation tax at 33%	1,080,582	602,287
Adjustment in respect of prior period	Nil	3,318
	<u>1,080,582</u>	<u>605,605</u>

7 Tangible fixed assets

	Furniture & fittings	Computer equipment	Total
	£	£	£
Cost			
At 1st April 1995	48,904	44,690	93,594
Additions	7,476	7,914	15,390
	<u>56,380</u>	<u>52,604</u>	<u>108,984</u>

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Depreciation			
At 1st April 1995	25,243	22,661	47,904
Charge for the period	17,629	15,502	33,131
	<u> </u>	<u> </u>	<u> </u>
At 31st March 1996	42,872	38,163	81,035
	<u> </u>	<u> </u>	<u> </u>
Net book value			
At 31st March 1996	13,508	14,441	27,949
	<u> </u>	<u> </u>	<u> </u>
At 31st March 1995	23,661	22,029	45,690
	<u> </u>	<u> </u>	<u> </u>
8 Debtors			
		1996	1995
		£	£
Amounts falling due within one year:			
Trade debtors	97,153,196	5,345,737	
Other debtors	71,096	11,141	
Prepayments	7,360	23,403	
	<u> </u>	<u> </u>	
	97,231,652	5,380,281	
	<u> </u>	<u> </u>	
9 Creditors: amounts falling due within one year			
		1996	1995
		£	£
Trade creditors	97,828,831	5,077,273	
Corporation tax	1,080,582	602,287	
Other creditors	53,082	35,030	
Accruals	330,490	247,337	
	<u> </u>	<u> </u>	
	99,292,985	5,891,927	
	<u> </u>	<u> </u>	

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10 Creditors: amounts falling due after more than one year

	1996	1995 £
Subordinated loan	500,000	500,000
	<u> </u>	<u> </u>

The subordinated loan is repayable on 21st May 1998, subject to the prior written consent of The Securities and Futures Authority Limited, and bears interest at 1% over LIBOR.

11 Share capital

	1996 £	1995 £
Authorised, allotted, called-up and fully paid: 500,000 ordinary shares of £1 each	500,000	500,000
	<u> </u>	<u> </u>

All shares rank parri passu as regards dividends, priority and amounts receivable on a winding up and voting rights.

12 Profit and loss account

	1996 £	1995 £
At 1st April	1,850,155	658,343
Profit for the year	2,161,735	1,191,812
	<u> </u>	<u> </u>
At 31st March	4,011,890	1,850,155
	<u> </u>	<u> </u>

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13 Reconciliation of movement on shareholders' funds

	1996 £	1995 £
Opening shareholders' funds	2,350,155	1,158,343
Profit for the financial year	2,161,735	1,191,812
	<hr/>	<hr/>
Closing shareholders' funds	4,511,890	2,350,155
	<hr/>	<hr/>

14 Reconciliation of operating profit to net cash flow from operating activities

	1996	1995 £
Operating profit	3,117,504	1,768,288
Depreciation on tangible fixed assets	33,131	27,967
Positions in securities	(3,168,663)	(546,862)
Debtors	(91,851,371)	16,760,259
Creditors	92,923,263	(18,415,094)
	<hr/>	<hr/>
Net cash flow from operating activities	1,053,864	(405,442)
	<hr/>	<hr/>

15 Cash and cash equivalents

	1996 £	1995 £
Changes in the year:		
At 1st April 1995	2,701,879	3,444,360
At 31st March 1996	3,262,379	2,701,879
	<hr/>	<hr/>
Net cash inflow / (outflow)	560,500	(742,481)
	<hr/>	<hr/>