

CUBE CAPITAL UK LIMITED
FINANCIAL STATEMENTS
31 DECEMBER 2009

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CUBE CAPITAL UK LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2009

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CUBE CAPITAL UK LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

The board of directors

F Buclez
A Sipols
J Waudby
O Pavlov

Company secretary

J Waudby

Registered office

Fourth Floor, 180 Great Portland Street
London
W1W 5QZ

Auditor

Blick Rothenberg
Chartered Accountants
12 York Gate
Regent's Park
London, NW1 4QS

CUBE CAPITAL UK LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2009

The directors present their report and the audited financial statements of the company for the year ended 31 December 2009.

Principal activity

The principal activity of the company during the year was provision of corporate finance and investment advisory services. The company is regulated by the Financial Services Authority.

Results and dividends

The profit for the year, after taxation, amounted to \$420,038. The directors have not recommended a dividend.

Directors

The directors who served the company during the year are as follows:

F Buclez
A Sipols
J Waudby
O Pavlov

Directors' responsibilities

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 those financial statements, the directors are required to

select suitable accounting policies and then apply them consistently,

make judgements and estimates that are reasonable and prudent,

state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,

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 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.

CUBE CAPITAL UK LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2009

So far as each person serving as a director of the company at the date this report is approved is aware, there is no relevant audit information of which the company's auditors are unaware and each director hereby confirms that he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information

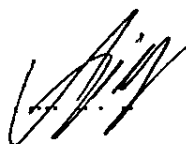
Auditor

Blick Rothenberg are deemed to be re-appointed under section 487(2) of the Companies Act 2006

Signed on behalf of the directors

A Sipols
Director

Approved by the directors on



21/04/2010

CUBE CAPITAL UK LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF CUBE CAPITAL UK LIMITED

YEAR ENDED 31 DECEMBER 2009

We have audited the financial statements of Cube Capital UK Limited for the year ended 31 December 2009. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's member, 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 member 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 member 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 pages 2 to 3, 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 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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements

give a true and fair view of the state of the company's affairs as at 31 December 2009 and of its profit for the year then ended,

have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and

have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters 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.

CUBE CAPITAL UK LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF CUBE CAPITAL UK LIMITED *(continued)*

YEAR ENDED 31 DECEMBER 2009

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



Simon Mayston (Senior Statutory Auditor)

For and on behalf of

BLICK ROTHENBERG

Chartered Accountants and

Statutory Auditor

12 York Gate

Regent's Park

London, NW1 4QS

27 April 2010

CUBE CAPITAL UK LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 DECEMBER 2009

	Note	2009 \$	2008 \$
Turnover	2	4,531,095	6,017,867
Administrative expenses		(3,935,165)	(5,271,937)
Operating profit	3	595,930	745,930
Interest receivable and similar income		400	26,954
Profit on ordinary activities before taxation		596,330	772,884
Tax on profit on ordinary activities	6	(176,292)	(217,448)
Profit for the financial year		<u>420,038</u>	<u>555,436</u>

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

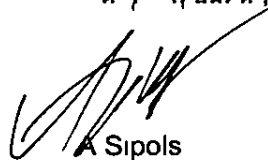
CUBE CAPITAL UK LIMITED

BALANCE SHEET

31 DECEMBER 2009

	Note	\$	2009 \$	\$	2008 \$
Fixed assets					
Tangible assets	7		232,849		337,078
Current assets					
Debtors	8	1,088,642		1,148,234	
Cash at bank		<u>982,744</u>		<u>748,191</u>	
		2,071,386		1,896,425	
Creditors: Amounts falling due within one year	10	<u>(189,497)</u>		<u>(526,446)</u>	
Net current assets			<u>1,881,889</u>		<u>1,369,979</u>
Total assets less current liabilities			<u>2,114,738</u>		<u>1,707,057</u>
Provisions for liabilities					
Deferred taxation	9		<u>—</u>		<u>(12,357)</u>
			<u>2,114,738</u>		<u>1,694,700</u>
Capital and reserves					
Called-up equity share capital	13		<u>475,775</u>		<u>475,775</u>
Profit and loss account	14		<u>1,638,963</u>		<u>1,218,925</u>
Shareholder's funds	15		<u>2,114,738</u>		<u>1,694,700</u>

These financial statements were approved by the directors and authorised for issue on 21/04/2010, and are signed on their behalf by



A Sipols
Director

Company Registration Number 04444759

CUBE CAPITAL UK LIMITED
CASH FLOW STATEMENT
YEAR ENDED 31 DECEMBER 2009

	Note	\$	2009 \$	\$	2008 \$
Net cash inflow from operating activities	16		439,087		925,497
Returns on investments and servicing of finance	17		400		26,954
Taxation			(201,126)		(110,750)
Capital expenditure					
Payments to acquire tangible fixed assets		(3,808)		(383,952)	
Net cash outflow from capital expenditure			(3,808)		(383,952)
Increase in cash	18		234,553		457,749

CUBE CAPITAL UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2009

1. Accounting policies

1.1 Basis of accounting

The financial statements have been prepared on the going concern basis and under the historical cost convention.

The financial statements are prepared in US dollars as the directors consider this to be the company's functional currency

1.2 Turnover

Turnover represents amounts receivable for services, net of VAT

1.3 Fixed assets

All fixed assets are initially recorded at cost

1.4 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

Leasehold property	- Over the lease term
Fixtures and fittings	- 25% straight line
Office equipment	- 33% straight line

1.5 Leases

Operating lease rentals are charged to the profit and loss account in equal instalments over the lease term

1.6 Pensions

Contributions to individual personal pension schemes are charged to the profit and loss account as they fall due

1.7 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, with the following exception

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

1.8 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into US dollars at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the profit and loss account

1.9 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

CUBE CAPITAL UK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2009

2. Turnover

The turnover and profit before tax are attributable to the principal activity of the company

An analysis of turnover is given below

	2009 \$	2008 \$
Rest of the world	<u>4,531,095</u>	<u>6,017,867</u>

3. Operating profit

Operating profit is stated after charging

	2009 \$	2008 \$
Depreciation of owned fixed assets	108,037	73,241
Operating lease costs		
- land and buildings	409,355	421,651
Auditor's remuneration	<u>19,752</u>	<u>14,660</u>

4. Particulars of employees

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

	2009 No	2008 No
Number of administrative staff	11	9
Number of management staff	<u>3</u>	<u>3</u>
	<u>14</u>	<u>12</u>

The aggregate payroll costs of the above were:

	2009 \$	2008 \$
Wages and salaries	2,226,987	3,390,200
Social security costs	266,660	416,598
Other pension costs	451,237	—
	<u>2,944,884</u>	<u>3,806,798</u>

CUBE CAPITAL UK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2009

5. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services were

	2009 \$	2008 \$
Aggregate remuneration	566,199	1,219,548
Value of company pension contributions to money purchase schemes	<u>451,237</u>	<u>—</u>
	<u>1,017,436</u>	<u>1,219,548</u>

Remuneration of highest paid director:

	2009 \$	2008 \$
Total remuneration (excluding pension contributions)	221,679	813,032
Value of company pension contributions to money purchase schemes	<u>451,237</u>	<u>—</u>
	<u>672,916</u>	<u>813,032</u>

6. Taxation on ordinary activities

(a) Analysis of charge in the year

	2009 \$	2008 \$
Current tax		
In respect of the year		
UK Corporation tax based on the results for the year at 28% (2008 28 50%)	192,175	176,369
Foreign exchange loss	<u>3,147</u>	<u>22,779</u>
Total current tax	195,322	199,148
Deferred tax		
Origination and reversal of timing differences (note 9)		
Capital allowances in excess of depreciation	<u>(19,030)</u>	<u>18,300</u>
Total deferred tax (note 9)	<u>(19,030)</u>	<u>18,300</u>
Tax on profit on ordinary activities	<u>176,292</u>	<u>217,448</u>

CUBE CAPITAL UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2009

6. Taxation on ordinary activities *(continued)*

(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 28% (2008 28 50%)

	2009 \$	2008 \$
Profit on ordinary activities before taxation	<u>596,330</u>	<u>772,884</u>
Profit on ordinary activities by rate of tax	166,972	220,272
Expenses not deductible for tax purposes	-	18,265
Depreciation in excess of capital allowances	20,108	(12,560)
Foreign exchange	8,242	(26,829)
Total current tax (note 6(a))	<u>195,322</u>	<u>199,148</u>

7. Tangible fixed assets

	Leasehold Property \$	Fixtures and fittings \$	Office equipment \$	Total \$
Cost				
At 1 January 2009	268,138	68,400	126,866	463,404
Additions	-	3,248	560	3,808
At 31 December 2009	<u>268,138</u>	<u>71,648</u>	<u>127,426</u>	<u>467,212</u>
Depreciation				
At 1 January 2009	42,899	7,195	76,232	126,326
Charge for the year	72,130	11,245	24,662	108,037
At 31 December 2009	<u>115,029</u>	<u>18,440</u>	<u>100,894</u>	<u>234,363</u>
Net book value				
At 31 December 2009	<u>153,109</u>	<u>53,208</u>	<u>26,532</u>	<u>232,849</u>
At 31 December 2008	<u>225,239</u>	<u>61,205</u>	<u>50,634</u>	<u>337,078</u>

8. Debtors

	2009 \$	2008 \$
Amounts owed by group undertaking	2,061	145,221
Other debtors	293,686	283,151
Prepayments and accrued income	786,222	719,862
Deferred taxation (note 9)	6,673	-
	<u>1,088,642</u>	<u>1,148,234</u>

CUBE CAPITAL UK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2009

8. Debtors (continued)

The debtors above include the following amounts falling due after more than one year

	2009 \$	2008 \$
Other debtors	<u>201,816</u>	<u>201,816</u>

9. Deferred taxation

The deferred tax included in the balance sheet is as follows

	2009 \$	2008 \$
Included in debtors (note 8)	6,673	-
Included in provisions	-	(12,357)
	<u>6,673</u>	<u>(12,357)</u>

The movement in the deferred taxation account during the year was

	2009 \$	2008 \$
Balance brought forward	(12,357)	5,943
Profit and loss account movement arising during the year	<u>19,030</u>	<u>(18,300)</u>
Balance carried forward	<u>6,673</u>	<u>(12,357)</u>

The balance of the deferred taxation account consists of the tax effect of timing differences in respect of

	2009 \$	2008 \$
Capital allowances in excess of depreciation	<u>6,673</u>	<u>(12,357)</u>
	<u>6,673</u>	<u>(12,357)</u>

10. Creditors: Amounts falling due within one year

	2009 \$	2008 \$
Trade creditors	8,335	6,757
Corporation tax	82,381	88,185
Other taxation and social security	77,312	194,892
Other creditors	-	170,733
Accruals and deferred income	<u>21,469</u>	<u>65,879</u>
	<u>189,497</u>	<u>526,446</u>

CUBE CAPITAL UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2009

11. Commitments under operating leases

At 31 December 2009 the company had annual commitments under non-cancellable operating leases as set out below

	2009		2008	
	Land & buildings	Other items	Land & buildings	Other items
	\$	\$	\$	\$
Operating leases which expire				
Within one year	-	21,678	-	12,000
Within two to five years	419,371	-	381,436	-
	<u>419,371</u>	<u>21,678</u>	<u>381,436</u>	<u>12,000</u>

12. Related party transactions

The immediate controlling party is Cube Capital Limited, a company incorporated in the Cayman Islands and the ultimate controlling party are the directors and certain senior management of Cube Capital Limited or trusts associated with them

Name (Relationship) Transaction		Amount		Amount due (to)/from related parties	
		2009	2008	2009	2008
		\$	\$	\$	\$
Cube Capital Limited (Parent company)	Sales Recharged expenses	4,531,094 (15,204)	6,017,866 15,204	669,021 -	- 15,204
Cube Fund Management Limited (fellow subsidiary undertaking)	Recharged expenses	(23,505)	6,607	1,877	25,382
Quadrum Investment Management Limited (fellow subsidiary undertaking)	Recharged expenses	(85,651)	76,200	184	86,405
SFINX Investment Management Limited (fellow subsidiary undertaking)	Recharged expenses	(1,687)	687	-	1,687
Cube Capital HK Limited (fellow subsidiary undertaking)	Recharged expenses	(10,888)	10,888	-	10,888

CUBE CAPITAL UK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2009

12. Related party transactions (continued)

Name (Relationship)	Transaction	Amount		Amount due (to)/from related parties	
		2009 \$	2008 \$	2009 \$	2008 \$
Cube Capital Europe Limited (fellow subsidiary undertaking)	Recharged expenses	(572)	572	–	572
Cube Investment Management Limited (fellow subsidiary undertaking)	Recharged expenses	(5,229)	5,229	–	5,229
Qbridge Investment Management Limited (fellow subsidiary undertaking)	Recharged expenses	(214)	214	–	214

13. Share capital

	2009		2008	
	No	\$	No	\$
Called up, allotted and fully paid Ordinary shares of £1 each	<u>250,000</u>	<u>475,775</u>	<u>250,000</u>	<u>475,775</u>

14. Profit and loss account

	2009 \$	2008 \$
Balance brought forward	1,218,925	663,489
Profit for the financial year	<u>420,038</u>	<u>555,436</u>
Balance carried forward	<u>1,638,963</u>	<u>1,218,925</u>

15. Reconciliation of movements in shareholder's funds

	2009 \$	2008 \$
Profit for the financial year	420,038	555,436
Opening shareholder's funds	<u>1,694,700</u>	<u>1,139,264</u>
Closing shareholder's funds	<u>2,114,738</u>	<u>1,694,700</u>

CUBE CAPITAL UK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2009

16. Reconciliation of operating profit to net cash inflow from operating activities

	2009 \$	2008 \$
Operating profit	595,930	745,930
Depreciation	108,037	73,241
Decrease/(increase) in debtors	66,265	(103,728)
(Decrease)/increase in creditors	(331,145)	210,054
Net cash inflow from operating activities	<u>439,087</u>	<u>925,497</u>

17. Returns on investments and servicing of finance

	2009 \$	2008 \$
Interest received	<u>400</u>	<u>26,954</u>
Net cash inflow from returns on investments and servicing of finance	<u>400</u>	<u>26,954</u>

18. Reconciliation of net cash flow to movement in net funds

	2009 \$	2008 \$
Increase in cash	234,553	457,749
Net funds at 1 January 2009	<u>748,191</u>	<u>290,442</u>
Net funds at 31 December 2009	<u>982,744</u>	<u>748,191</u>

19. Analysis of changes in net funds

	At 1 Jan 2009 \$	Cash flows \$	At 31 Dec 2009 \$
Net cash			
Cash in hand and at bank	<u>748,191</u>	<u>234,553</u>	<u>982,744</u>
Net funds	<u>748,191</u>	<u>234,553</u>	<u>982,744</u>

20. Parent undertaking

The parent undertaking of the only group of undertakings for which group financial statements are drawn up and of which the company is a member is Cube Capital Limited, a company incorporated in the Cayman Islands. Group financial statements are prepared and are not available to the public.