

CAXTON FX LIMITED

Company Registration No. 4610337

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2005



CAXTON FX LIMITED

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CAXTON FX LIMITED
DIRECTORS AND OFFICERS

Directors

Rupert Lee-Browne (Chairman)
Jane Emma Peerless
James Hickman

Secretary and Registered Office

Jane Emma Peerless

2 Motcomb Street, London SW1X 8JU

Auditors

Gerald Edelman
Chartered Accountants and Registered Auditor

25 Harley Street, London W1G 9BR

CAXTON FX LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 28 FEBRUARY 2005

The Directors present their annual report, together with the financial statements and report of the auditors, for the year ended 28 February 2005.

Principal Activity and Business Review

The principal activity of the Company has been the provision of foreign currency services.

The Directors consider that the results are satisfactory.

Results and Dividend

The results for the year are set out on page 6. An interim dividend of £6,500 was declared in respect of the year. The Directors are not recommending a final dividend.

Directors

The names of the current Directors of the Company are shown on page 2, James Hickman having been appointed a Director on 1 March 2004.

Directors' Interests

The Directors who held office at 28 February 2005 were interested in the shares of the Company as shown below:

	Ordinary shares of £1 each	
	29 February 2004	28 February 2005
Rupert Lee-Browne	700	700
Jane Emma Peerless	300	300

CAXTON FX LIMITED

REPORT OF THE DIRECTORS YEAR ENDED 28 FEBRUARY 2005 (Continued)

Statement of Directors' Responsibilities

Company law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that 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 accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper accounting records 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.

Auditors

A resolution will be put before the annual general meeting to re-appoint Gerald Edelman as auditors.

By order of the Board



Jane Emma Peerless
Secretary

23 June 2005

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF CAXTON FX LIMITED

We have audited the financial statements of Caxton Fx Limited on pages 6 to 16 for the year ended 28 February 2005. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the directors' report and, as described on page 4, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by 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 Companies Act 1985. 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 with the company is not disclosed.

We used the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit

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 as at 28 February 2005, and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

London

23 June 2005



Gerald Edelman
Chartered Accountants
Registered Auditor

CAXTON FX LIMITED

PROFIT STATEMENT

For the Year ended 28 February 2005

	Notes	Year ended 28 February 2005 £	Period ended 29 February 2004 £
Turnover	2	102,472,868	65,289,288
Cost of sales		(101,933,828)	(64,944,294)
Gross profit		539,040	344,994
Administrative expenses		(332,859)	(155,827)
Operating profit	3	206,181	189,167
Interest receivable and similar income	5	32,551	6,676
Interest payable and similar charges	6	(3,404)	(4,092)
Profit on ordinary activities before taxation		235,328	191,751
Tax on profit on ordinary activities	7	(45,472)	(36,859)
Profit on ordinary activities after taxation		189,856	154,892
Dividends	8	(6,500)	(30,100)
Retained profit for year		183,356	124,792
Retained profit brought forward		124,792	-
Retained profit carried forward		308,148	124,792

The profit statement has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit statement.

The notes on pages 9 to 16 form part of these financial statements.

CAXTON FX LIMITED

BALANCE SHEET

As at 28 February 2005

	Notes	2005 £	2004 £
Fixed assets			
Tangible assets	9	19,057	2,719
Current assets			
Debtors	10	1,228,004	1,312,393
Investments		-	201
Cash at bank and in hand		2,124,776	1,831,513
		3,352,780	3,144,107
Creditors: amounts falling due within one year	11	(3,061,467)	(3,020,517)
Net current assets		291,313	123,590
Total assets less current liabilities		310,370	126,309
Provisions for liabilities and charges	12	(1,222)	(517)
Net assets		309,148	125,792
Capital and reserves			
Called up share capital	13	1,000	1,000
Profit and loss account		308,148	124,792
Shareholders' funds – equity interests	14	309,148	125,792

The notes on pages 9 to 16 form part of these financial statements.

These financial statements were approved by the Board of Directors on 23 June 2005 and were signed on its behalf by



Rupert Lee-Browne
Director

CAXTON FX LIMITED

CASH FLOW STATEMENT

For the Year ended 28 February 2005

	Note s	Year ended 28 February 2005 £	Period ended 29 February 2004 £
Net cash inflow from operating activities	15a	359,769	1,795,664
Returns on investments and servicing of finance			
Interest received		30,112	4,886
Interest paid		(2,666)	(1,674)
		387,215	1,798,876
Taxation			
Corporation tax paid		(36,342)	-
Capital expenditure			
Purchase of tangible fixed assets		(21,041)	(3,162)
		329,832	1,795,714
Equity dividends paid			
Dividends on ordinary shares		(36,600)	-
Net cash inflow before management of liquid resources and financing		293,232	1,795,714
Management of liquid resources			
Current asset investments		31	(201)
Financing			
Issue of ordinary share capital		-	1,000
Other new short term loans		-	<u>35,000</u>
			36,000
Increase in cash		293,263	1,831,513

The notes on pages 9 to 16 form part of these financial statements.

CAXTON FX LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 28 February 2005

1. Accounting Policies

(a) Accounting convention

The financial statements are prepared under the historical cost convention.

(b) Turnover and revenue recognition

Turnover represents the gross value of currency transactions undertaken by the Company. Purchases of currency relating to these transactions are treated as cost of sales.

Turnover is recognised when a binding contract is entered into by a client and the profit is fixed and determined.

Where the Company enters into a contract for forward delivery with a client, it also enters into a separate matched forward contract with its bankers.

Where a contract for forward delivery is open at the year end, the balance of the contract due from the client at maturity is included in trade debtors and the corresponding liability with the Company's bankers is included in trade creditors.

(c) Tangible Fixed Assets

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life as follows:

Computer equipment	33.3% p.a. straight line
Other office equipment	25% p.a. straight line

(d) Investments

Current asset investments are stated at the lower of cost and net realisable value.

(e) Deferred Taxation

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

(f) Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date or, if matched, at the forward contract rate. Transactions arising during the year are translated at the actual rate. Exchange differences are taken into account in arriving at the operating profit.

CAXTON FX LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. Turnover

The Company's turnover is attributable to its principal activity and all arises in the United Kingdom.

3. Operating Profit

Operating profit is stated after charging:

	Year ended 28 February 2005 £	Period ended 29 February 2004 £
Staff costs (see note 4)	141,960	57,163
Depreciation of tangible assets	4,703	443
Auditors' remuneration	3,231	3,231

4. Staff numbers and costs

The average number of persons employed by the Company (including Directors) was as follows:

	Year ended 28 February 2005 £	Period ended 29 February 2004 £
Executive	3	3
Administration	1	1

The aggregate payroll costs of these persons were as follows:

	£	£
Salaries	128,220	51,515
Social security costs	13,740	5,648
	<u>141,960</u>	<u>57,163</u>

CAXTON FX LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4. Staff numbers and costs (continued)

Directors' remuneration

The payroll costs shown above include the following remuneration in respect of Directors of the Company.

	Year ended 28 February 2005 £	Period ended 29 February 2004 £
Emoluments	80,698	Nil

No pension contributions were made on behalf of any of the Directors.

5. Interest receivable and similar income

	Year ended 28 February 2005 £	Period ended 29 February 2004 £
Bank interest	32,540	6,676
Other interest	11	-
	<u>32,551</u>	<u>6,676</u>

6. Interest payable and similar charges

	Year ended 28 February 2005 £	Period ended 29 February 2004 £
On bank loans and overdrafts	593	144
On other loans wholly repayable within five years	2,811	3,948
	<u>3,404</u>	<u>4,092</u>

CAXTON FX LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

7. Tax on profit on ordinary activities

	Year ended 28 February 2005 £	Period ended 29 February 2004 £
U.K corporation tax	44,767	36,342
Current tax charge	44,767	36,342
Deferred tax		
Deferred tax charge, current year	705	517
	45,472	36,859
Current tax reconciliation:		
Profit on ordinary activities before taxation	235,328	191,751
Current tax charge thereon at 19%	44,712	36,433
<i>Effects of:</i>		
Expenses not deductible for tax purposes	760	426
Depreciation added back	894	84
Capital allowances	(1,599)	(601)
Total current tax charge	44,767	36,342

8. Dividends

	Year ended 28 February 2005 £	Period ended 29 February 2004 £
Interim	6,500	30,100

CAXTON FX LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

9. Tangible fixed assets

	Computer equipment £	Other equipment £	Total £
Cost			
At 1 March 2004	3,162	-	3,162
Additions	19,477	1,564	21,041
At 28 February 2005	22,639	1,564	24,203
Depreciation			
At 1 March 2004	443	-	443
Charge for the year	4,457	246	4,703
At 28 February 2005	4,900	246	5,146
Net Book Value			
At 28 February 2005	17,739	1,318	19,057
At 29 February 2004	2,719	-	2,719

10. Debtors

	2005 £	2004 £
Trade debtors	1,215,695	1,310,603
Prepayments and accrued income	12,309	1,790
	1,228,004	1,312,393

11. Creditors: Amounts falling due within one year

	2005 £	2004 £
Trade creditors	2,950,965	2,855,550
Corporation tax	44,767	36,342
Other taxes and social security	4,818	4,817
Directors' current accounts	833	6,996
Other creditors	43,250	105,277
Accruals and deferred income	16,834	11,535
	3,061,467	3,020,517

CAXTON FX LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

12. Provisions for liabilities and charges

	2005 £	2004 £
Deferred taxation liability:		
Balance at 1 March 2004	517	-
Charge for year	705	517
	<hr/>	<hr/>
Balance at 28 February 2005	1,222	517

The provision for deferred taxation is made up of accelerated capital allowances

13. Share capital

	2005 £	2004 £
Authorised:		
100,000 ordinary shares of £1 each	100,000	100,000
	<hr/>	<hr/>
Allotted, called up and fully paid:		
1,000 ordinary shares of £1 each	1,000	1,000
	<hr/>	<hr/>

14. Reconciliation of movements in shareholders' funds

	Year ended 28 February 2005 £	Period ended 29 February 2004 £
Profit for the year	189,856	154,892
Dividends	(6,500)	(30,100)
	<hr/>	<hr/>
	183,356	124,792
Share capital issued	-	1,000
	<hr/>	<hr/>
	183,356	125,792
Opening shareholders' funds	125,792	-
	<hr/>	<hr/>
Closing shareholders' funds	309,148	125,792

CAXTON FX LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

15. Cash Flow Statement

(a) Reconciliation of operating profit to net cash inflow from operating activities:-

	Year ended 28 February 2005 £	Period ended 29 February 2004 £
Operating profit	206,181	189,167
Depreciation of tangible assets	4,703	443
Loss on current asset investments	170	-
Decrease / (increase) in debtors	86,828	(1,310,603)
Increase in creditors within one year	61,887	2,916,657
Net cash inflow from operating activities	359,769	1,795,664

(b) Analysis of net funds / (debt)

	1 March 2004 £	Cash flow £	28 February 2005 £
Net cash:			
Cash at bank and in hand	1,831,513	293,263	2,124,776
Liquid resources:			
Current asset investments	201	(201)	-
Debt:			
Debts falling due within one year	(35,000)	-	(35,000)
Net funds / (debt)	1,796,714	293,062	2,089,776

(c) Reconciliation of net cash flow to movement in net funds:-

	Year ended 28 February 2005 £	Period ended 29 February 2004 £
Increase in cash	293,263	1,831,513
Cash (inflow) / outflow from increase in liquid resources	(201)	201
Cash inflow from increase in debt	-	(35,000)
	293,062	1,796,714
Opening net funds	1,796,714	-
Closing net funds	2,089,776	1,796,714

CAXTON FX LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

16. Control

The Company is owned and controlled by R Lee-Browne and J E Peerless, directors and shareholders of the Company.

17. Related Party Transactions

Included in creditors is an amount of £833 (2004: £6,966) due to R Lee-Browne, a director and shareholder of the Company.

There are no terms as to interest or repayment in respect of this balance.
