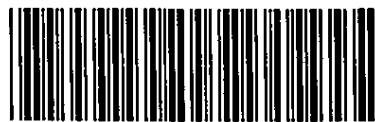


# **CAXTON FX LIMITED**

**Company Registration No: 04610337**

**REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 28 FEBRUARY 2010**

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**CAXTON FX LIMITED**  
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**FOR THE YEAR ENDED 28 FEBRUARY 2010**

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**CAXTON FX LIMITED**

**COMPANY INFORMATION**

**FOR THE YEAR ENDED 28 FEBRUARY 2010**

DIRECTORS	Anthony Shearer (Chairman) Rupert Lee-Browne Jane Emma Peerless James Hickman
SECRETARY	Jane Emma Peerless
REGISTERED OFFICE	4 Grosvenor Place London SW1X 7HJ
REGISTERED NUMBER	04610337

**CAXTON FX LIMITED**  
**REPORT OF THE DIRECTORS**  
**FOR THE YEAR ENDED 28 FEBRUARY 2010**

The Directors present their annual report, together with the financial statements and report of the auditors, for the year ended 28 February 2010

**Principal Activity**

The principal activity of the Company has been the provision of foreign currency services. The Directors are pleased to report that the company has made good progress this year.

Caxton fx continues to grow its client base, strengthen its team and upgrade its technology and operating platform while keeping a tight control over the cost base.

The Directors consider that the financial results for the year are satisfactory and expect further progress in the current year to 28 February 2011 with the growth of new business and the introduction of further services.

**Financial Risk Management**

The Directors have reviewed the risks and uncertainties facing the Company and consider the key risk to be financial risk. The Directors' financial risk management objective is to maximise financial assets and minimise financial liabilities whilst not engaging in speculation. The financial risks faced by the Company include:

- exposure to foreign currency fluctuations due to the nature of the Company's principal activity
- interest rate risk
- liquidity risk
- credit risk

The Directors manage the abovementioned financial risks as follows:

- hold cash in the currencies of anticipated trading
- actively review and approve the terms of and parties to significant commercial contracts where payment is not anticipated in advance
- careful management of bank balances and monitoring interest rates and foreign currency rates
- ensuring sufficient resources are retained to enable flexibility in the management of its cash flow and committed deposits

**Results and Dividend**

The results for the year are set out on page 6. Interim dividends totalling £10,000 (2009: £33,000) were paid during the year. The Directors are not recommending a final dividend.

**Directors**

The Directors in office during the year are shown on page 2.

**CAXTON FX LIMITED**  
**REPORT OF THE DIRECTORS (CONTINUED)**  
**FOR THE YEAR ENDED 28 FEBRUARY 2010**

**Statement of Directors' Responsibilities in respect of the Directors' Report and 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 Company's financial statements in accordance with United Kingdom Generally Accepted 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 and 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 judgments 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, 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 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.

**Statement of disclosure to auditors**

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

**Auditors**

The auditors, Gerald Edelman, are deemed to be reappointed under section 487 (2) of the Companies Act 2006.

On behalf of the board



Jane Emma Peerless

Secretary

26 May 2010

**CAXTON FX LIMITED**  
**INDEPENDENT AUDITORS' REPORT**  
**FOR THE YEAR ENDED 28 FEBRUARY 2010**

We have audited the financial statements of Caxton FX Limited on pages 6 to 14 for the year ended 28 February 2010. 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 members, as a body, in accordance with sections 495 and 496 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 the directors and auditors**

As explained more fully in the Directors' Responsibilities Statement set out on page 4, 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 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.

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

**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 28 February 2010 and of its profit for the year then ended,  
have been properly prepared in accordance with United Kingdom Accepted Accounting Practice, 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.



**D B Atkinson (Senior Statutory Auditor)**  
for and on behalf of Gerald Edelman

**Chartered Accountants**  
**Statutory Auditor**

26 May 2010

25 Harley Street  
London  
W1G 9BR

**CAXTON FX LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 28 FEBRUARY 2010**

	Notes	2010 £	2009 £
Turnover	2	227,131,506	269,168,115
Cost of Sales		(225,068,182)	(267,439,265)
<b>Gross Profit</b>		<b>2,063,324</b>	<b>1,728,850</b>
Administrative expenses		(2,045,224)	(1,787,668)
<b>Operating profit/(loss)</b>	3	<b>18,100</b>	<b>(58,818)</b>
Interest receivable and similar income	5	4,491	92,774
Interest payable and similar charges	6	(3,393)	(6,157)
<b>Profit on ordinary activities before taxation</b>		<b>19,198</b>	<b>27,799</b>
Tax on profit on ordinary activities	7	(4,751)	(13,538)
<b>Profit for the year</b>	13	<b>14,447</b>	<b>14,261</b>

The profit and loss account has been prepared on the basis that all activities are continuing operations

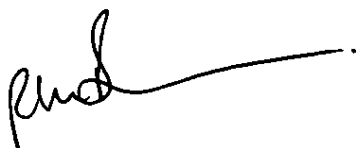
There are no recognised gains and losses other than those passing through the profit and loss account

The notes on pages 9 to 14 form part of these financial statements

**CAXTON FX LIMITED**  
**BALANCE SHEET**  
**AS AT 28 FEBRUARY 2010**

		2010	2009
	Notes	£	£
<b>Fixed assets</b>			
Tangible assets	8	<u>46,361</u>	<u>55,749</u>
<b>Current assets</b>			
Debtors	9	8,579,485	1,193,504
Cash at bank		<u>4,749,490</u>	<u>5,174,383</u>
		13,328,975	6,367,887
<b>Creditors. Amounts falling</b>			
due within one year	10	<u>(12,590,619)</u>	<u>(5,640,413)</u>
<b>Net current assets</b>		738,356	727,474
<b>Total assets less current liabilities</b>		784,717	783,223
 Provisions for liabilities and charges	11	<u>(2,047)</u>	<u>(5,000)</u>
<b>Net assets</b>		<u><u>782,670</u></u>	<u><u>778,223</u></u>
 <b>Capital and Reserves</b>			
Called up share capital	12	1,087	1,087
Profit and loss account	13	<u>781,583</u>	<u>777,136</u>
<b>Shareholders' funds - equity interests</b>	14	<u><u>782,670</u></u>	<u><u>778,223</u></u>

Approved by the Board and authorised for issue on 26 May 2010



R Lee-Browne

Director

Company Registration No 04610337



**CAXTON FX LIMITED**  
**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 28 FEBRUARY 2010**

	Notes	2010	2009
		£	£
Net cash (outflow)/inflow from operating activities	15	(386,754)	2,002,043
<b>Returns on investments and servicing of finance</b>			
Interest received		5,632	94,484
Interest paid		(3,393)	(6,314)
		<u>2,239</u>	<u>88,170</u>
<b>Corporation tax paid</b>		(10,350)	(34,473)
<b>Capital expenditure</b>			
Purchase of tangible fixed assets		(20,028)	(24,236)
<b>Equity dividends paid</b>			
Dividends on ordinary shares		(10,000)	(33,000)
Net cash inflow/(outflow) before management of liquid resources and financing			
<b>Financing</b>			
Equity capital subscribed		-	-
Short term loans		-	-
<b>(Decrease)/Increase in cash</b>	16	<u>(424,893)</u>	<u>1,998,504</u>

The notes on pages 9 to 14 form part of these financial statements

**CAXTON FX LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 28 FEBRUARY 2010**

**1 Accounting Policies**

**Accounting convention**

The financial statements are prepared under the historical cost convention

**Compliance with accounting standards**

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (UK Generally Accepted Accounting Practice) which have been applied consistently (except as otherwise stated)

**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.

**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:

Leasehold alterations	Remaining life of 5 year lease
Motor Vehicles	25% p a straight line
Computer equipment	33% p a straight line
Other office equipment	25% p a straight line

**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.

**Operating Lease rentals**

Rentals payable under operating leases are charged against income on a straight line over the lease term.

**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**  
**FOR THE YEAR ENDED 28 FEBRUARY 2010**

	2010	2009
	£	£
<b>2. Turnover</b>		
The Company's turnover is attributable to its principal activity A geographical analysis of turnover is		
United Kingdom	225,031,258	256,928,607
Australia	2,100,248	12,239,508
	<u>227,131,506</u>	<u>269,168,115</u>

<b>3 Operating profit</b>	£	£
This is stated after charging		
Staff costs (see note 4)	983,350	833,678
Depreciation of tangible fixed assets	28,176	20,759
Auditors' remuneration - for audit work	7,052	6,900
- for corporate finance work	-	3,776
Operating lease rentals	75,775	64,853
Loss on foreign exchange transactions	4,685	-

**4 Staff numbers and costs**

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

Sales and Marketing	18	16
Administration	8	6

	£	£
The aggregate payroll costs of these persons were as follows		
Salaries	888,724	756,854
Social security costs	94,626	76,824
	<u>983,350</u>	<u>833,678</u>

*Directors' remuneration*

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

	£	£
Emoluments	<u>261,167</u>	<u>219,415</u>

Emoluments disclosed above include the following amounts paid to the highest paid director

	£	£
Emoluments for qualifying services	<u>101,667</u>	<u>100,000</u>

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

**CAXTON FX LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 28 FEBRUARY 2010**

<b>5.</b>	<b>Interest receivable</b>	<b>2010</b>	<b>2009</b>
		<b>£</b>	<b>£</b>
	Bank interest	4,491	92,774
		<u>4,491</u>	<u>92,774</u>
<b>6.</b>	<b>Interest payable and similar charges</b>	<b>£</b>	<b>£</b>
	On bank loans, overdrafts and transactional charges	<u>3,393</u>	<u>6,157</u>
<b>7</b>	<b>Tax on profit on ordinary activities</b>	<b>£</b>	<b>£</b>
	<b>Domestic current year tax</b>		
	U K corporation tax	6,764	9,408
	Adjustments to prior year liabilities	<u>940</u>	<u>-</u>
	<b>Current tax charge</b>	<b>7,704</b>	<b>9,408</b>
	 Deferred tax (credit)/ charge	 (2,953)	 4,130
		<u>4,751</u>	<u>13,538</u>
	<b>Current tax reconciliation</b>		
	Profit on ordinary activities before taxation	<u>19,198</u>	<u>27,799</u>
	 Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 21% (2009 21%)	 4,032	 5,838
	<i>Effects of</i>		
	Expenses not deductible for tax purposes	2,236	5,790
	Depreciation added back	5,917	4,359
	Adjustments to prior year liabilities	940	-
	Capital allowances	(5,421)	(6,544)
	Marginal rate relief	-	(35)
	<b>Total current tax charge</b>	<u><b>7,704</b></u>	<u><b>9,408</b></u>

**CAXTON FX LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 28 FEBRUARY 2010**

**8 Tangible fixed assets**

	Leasehold Alterations	Motor Vehicles	Computer Equipment	Other Equipment	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 March 2009	25,446	5,500	63,109	26,491	120,546
Additions	-	-	16,061	3,967	20,028
Disposals	-	-	-	(1,240)	(1,240)
At 28 February 2010	25,446	5,500	79,170	29,218	139,334
<b>Depreciation</b>					
At 1 March 2009	11,970	344	38,737	13,746	64,797
Charge for the year	5,089	1,375	15,086	6,626	28,176
At 28 February 2010	17,059	1,719	53,823	20,372	92,973
<b>Net Book Value</b>					
At 28 February 2010	8,387	3,781	25,347	8,846	46,361
At 28 February 2009	13,476	5,156	24,372	12,745	55,749

<b>9 Debtors</b>	2010	2009
	£	£
<b>Due after more than one year</b>		
Other debtors	63,528	14,687
<b>Due within one year</b>		
Trade debtors	8,381,485	1,004,542
Other debtors	126,012	155,860
Prepayments and accrued income	8,460	18,415
	<u>8,579,485</u>	<u>1,193,504</u>

Other debtors due within one year comprise

- a An interest-free unsecured loan of £5,000 (2009 £5,000) to J Hickman a director. The maximum amount outstanding during the year was £5,000
- b £120,157 (2009 30,866) due by KnowledgeWire Systems Ltd (see also Note 19)

**10 Creditors Amounts falling due within one year**

	£	£
Trade creditors	11,244,790	5,525,187
Other creditors	1,282,582	-
Corporation tax	6,764	9,410
Accruals and deferred income	56,483	105,816
	<u>12,590,619</u>	<u>5,640,413</u>

Other creditors due within one year comprise £1,282,582 due to Caxton Voyager Limited (2009 £119,423 due from) (see also Note 19)

**11 Provisions for liabilities and charges**

	£	£
<b>Deferred taxation liability</b>		
Balance at 1 March	5,000	870
(Credit)/ charge for the year	(2,953)	4,130
Balance at 28 February	<u>2,047</u>	<u>5,000</u>

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

**CAXTON FX LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 28 FEBRUARY 2010**

<b>12</b>	<b>Share Capital</b>	<b>2010</b>	<b>2009</b>
		<b>£</b>	<b>£</b>
	<b>Authorised:</b>		
	Ordinary Shares of £1 each	99,000	99,000
	Ordinary-A shares of £1 each	1,000	1,000
		<u>100,000</u>	<u>100,000</u>
	<b>Allotted, issued and fully paid:</b>		
	1,000 Ordinary Shares of £1 each	1,000	1,000
	87 Ordinary-A shares of £1 each	87	87
		<u>1,087</u>	<u>1,087</u>
<b>13</b>	<b>Profit and Loss account</b>		
		<b>£</b>	<b>£</b>
	As at 1st March 2009	777,136	795,875
	Profit for the year	14,447	14,261
	Dividends paid	(10,000)	(33,000)
		<u>781,583</u>	<u>777,136</u>
<b>14.</b>	<b>Reconciliation of movements in shareholders' funds</b>	<b>£</b>	<b>£</b>
	Profit for the year	14,447	14,261
	Dividends	(10,000)	(33,000)
		<u>4,447</u>	<u>(18,739)</u>
	Opening shareholders' funds	778,223	796,962
	Closing shareholders' funds	<u>782,670</u>	<u>778,223</u>
<b>15.</b>	<b>Cash Flow Statement</b>		
	Reconciliation of operating profit to net cash (outflow)/inflow from operating activities -	<b>£</b>	<b>£</b>
	Operating profit/(loss)	18,100	(58,818)
	Depreciation of tangible fixed assets	28,176	20,759
	Loss on disposal of tangible fixed assets	712	-
	(Increase)/decrease in debtors	(7,385,981)	1,110,993
	Increase/(decrease) in creditors within one year	6,952,239	929,109
		<u>(386,754)</u>	<u>2,002,043</u>

**CAXTON FX LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 28 FEBRUARY 2010**

**16 Cash Flow Statement**

Analysis of net funds

	1 March 2009	Cash flow	28 February 2010
	£	£	£
Cash at bank and in hand	5,174,383	(424,893)	4,749,490
	5,174,383	(424,893)	4,749,490

Reconciliation of net cash flow to movement in net funds -

	£	£
Increase/(decrease) in cash	(424,893)	1,998,504
Cash outflow from decrease in debt	-	-
Movement in net funds during the year	(424,893)	1,998,504
Opening net funds	5,174,383	3,175,879
Closing net funds	4,749,490	5,174,383

**17 Guarantees and Other Financial Commitments**

At 28 February 2010 there were no capital commitments (2009 None) and the Directors are not aware of any contingent liabilities (2009 None)

At 28 February 2010 the Company had the following annual commitments under operating leases, analysed by expiry date

	2010	2009
	£	£
Land and buildings		
Expiring within one year	-	29,480
Expiring between one and five years	153,500	49,938
Other		
Expiring within one year	3,412	3,595

**18 Control**

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

**19 Related Party Transactions**

On 1 January 2009 the Company transferred its currency card programme to Caxton Voyager Ltd ("Voyager"), a company controlled by the Directors of the Company. Since 1 March 2009 the Company has continued to provide for Voyager the necessary underlying foreign exchange service.

On 29 October 2008 KnowledgeWire Systems Ltd ("KWS") which provides computer maintenance and development services to the Company, was acquired by Voyager from third parties. Services rendered and goods supplied by KWS to the Company for the period from 1 March 2009 to 28 February 2010 amounted to £77,151 (2009 £21,065).

Further information regarding related party transactions is given in Note 9 and 10.

**20 Client Money**

As at 28 February 2010 the amounts held in the designated client money accounts was GBP 4,966,690 (2009 nil)