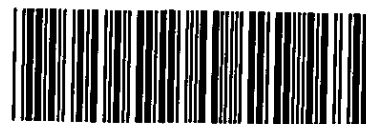


**REPORT OF THE DIRECTOR AND
UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2012
FOR
GALAXY CAPITAL MANAGEMENT LIMITED**

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FOR THE YEAR ENDED 30 SEPTEMBER 2012**

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GALAXY CAPITAL MANAGEMENT LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 30 SEPTEMBER 2012

DIRECTOR	M Fairchild
SECRETARY:	W K Corporate Services Limited
REGISTERED OFFICE:	Bridge House 4 Borough High Street London SE1 9QR
REGISTERED NUMBER	05092875 (England and Wales)
BANKERS	HSBC 27-32 Poultry London EC2P 2BX

**REPORT OF THE DIRECTOR
FOR THE YEAR ENDED 30 SEPTEMBER 2012**

The director presents his report with the financial statements of the company for the year ended 30 September 2012

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of an investment fund introducer. The company is regulated by the Financial Services Authority.

REVIEW OF BUSINESS

The company has been active in accordance with its stated principal activity throughout the period under review.

Principal risks and uncertainties

Turnover is dependent on the level of funds introduced to an offshore Fund, as well as its performance. Accordingly the Director considers Fund performance to be critical to the success of the company, as strong or poor performance will impact on its ability to market and grow the amount of funds introduced, as well as having a direct impact on its turnover.

As a result of the potential volatility of turnover, the Director considers that it is critical that administrative expenditure is kept under control at all times, and accordingly has instigated appropriate controls to this end, with particular emphasis in ensuring fixed overheads are minimised.

This represented the fifth full year in which the company generated fee income from its principal activity and as a result of keeping close control over costs throughout the year, the Director considers that the company has performed satisfactorily, especially in light of the global financial crisis and recession, which have impacted on the market sector.

DIVIDENDS

No interim dividends were paid in the period. The director recommends that no final dividend be paid.

Accordingly the total distribution of dividends for the year ended 30 September 2012 will be £Nil (2011: £4,000).

FUTURE DEVELOPMENTS

The director anticipates no significant changes to the company's business model for the foreseeable future.

DIRECTOR

M Fairchild held office during the whole of the period from 1 October 2011 to the date of this report.

FINANCIAL INSTRUMENTS

The company's financial instruments at the balance sheet date comprised cash and liquid resources. The main purpose of these financial instruments is to raise finance for the company's operations. The company has various other financial instruments such as other debtors and trade creditors that arise directly from its operations.

It is, and has been throughout the period under review, the company's policy that no trading in financial instruments shall be undertaken.

The main risks arising from the company's financial instruments are interest rate, liquidity and foreign currency risk.

Interest rate risk

The company has a policy to manage any exposure to interest rate fluctuations so as to finance its operations through retained profits.

Liquidity risk

The company had significant net cash balances as at the balance sheet date.

Foreign currency risk

The company had no financial instruments denominated in foreign currencies during the period. Any gains or losses arising from the company's potential exposure to foreign currency risk would be recognised in the profit and loss account.

Financial assets

The company has no financial assets other than short-term debtors and cash at bank.

**REPORT OF THE DIRECTOR
FOR THE YEAR ENDED 30 SEPTEMBER 2012**

FINANCIAL INSTRUMENTS (continued)

Borrowing facilities

The company has no undrawn committed borrowing facilities as at the balance sheet date

ON BEHALF OF THE BOARD

A handwritten signature in black ink, consisting of a stylized 'M' followed by a horizontal line and a vertical stroke at the end.

M Fairchild - Director

Date 14 January 2013

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 SEPTEMBER 2012**

	Notes	2012 £	2011 £
TURNOVER		638	2,964
Administrative expenses		<u>2,708</u>	<u>(130)</u>
		(2,070)	3,094
Other operating income		<u>4,274</u>	<u>-</u>
OPERATING PROFIT	3	2,204	3,094
Interest receivable and similar income		<u>508</u>	<u>305</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		2,712	3,399
Tax on profit on ordinary activities	4	<u>542</u>	<u>700</u>
PROFIT FOR THE FINANCIAL YEAR		<u>2,170</u>	<u>2,699</u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous year

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profits for the current year or previous year

BALANCE SHEET
30 SEPTEMBER 2012

	Notes	2012 £	2011 £
CURRENT ASSETS			
Debtors	6	5,607	10,877
Cash at bank		<u>4,525</u>	<u>3,688</u>
		10,132	14,565
CREDITORS			
Amounts falling due within one year	7	<u>1,920</u>	<u>8,523</u>
NET CURRENT ASSETS		<u>8,212</u>	<u>6,042</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>8,212</u>	<u>6,042</u>
CAPITAL AND RESERVES			
Called up share capital	8	2	2
Share premium	9	4,998	4,998
Profit and loss account	9	<u>3,212</u>	<u>1,042</u>
SHAREHOLDERS' FUNDS	12	<u>8,212</u>	<u>6,042</u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 30 September 2012

The members have not required the company to obtain an audit of its financial statements for the year ended 30 September 2012 in accordance with Section 476 of the Companies Act 2006

The director acknowledges his responsibilities for

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company

The financial statements were approved by the director on 14 January 2013 and were signed by



M Fairchild - Director

The notes form part of these financial statements

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2012**

	Notes	2012 £	2011 £
Net cash (outflow)/inflow from operating activities	1	(4,399)	1,345
Returns on investments and servicing of finance	2	508	305
Equity dividends paid		-	(4,000)
		(3,891)	(2,350)
Financing	2	<u>4,728</u>	<u>(10,369)</u>
Increase/(decrease) in cash in the period		<u>837</u>	<u>(12,719)</u>
<hr/>			
Reconciliation of net cash flow to movement in net funds	3		
Increase/(decrease) in cash in the period		<u>837</u>	<u>(12,719)</u>
Change in net funds resulting from cash flows		<u>837</u>	<u>(12,719)</u>
Movement in net funds in the period		837	(12,719)
Net funds at 1 October		<u>3,688</u>	<u>16,407</u>
Net funds at 30 September		<u>4,525</u>	<u>3,688</u>

The notes form part of these financial statements

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2012**

1 RECONCILIATION OF OPERATING PROFIT TO NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES

	2012	2011
	£	£
Operating profit	2,204	3,094
Decrease in creditors	(6,603)	(1,749)
Net cash (outflow)/inflow from operating activities	<u>(4,399)</u>	<u>1,345</u>

2 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2012	2011
	£	£
Returns on investments and servicing of finance		
Interest received	<u>508</u>	<u>305</u>
Net cash inflow for returns on investments and servicing of finance	<u>508</u>	<u>305</u>
Financing		
Amount introduced by directors	(4,940)	-
Amount withdrawn by directors	<u>9,668</u>	<u>(10,369)</u>
Net cash inflow/(outflow) from financing	<u>4,728</u>	<u>(10,369)</u>

3 ANALYSIS OF CHANGES IN NET FUNDS

	At 1/10/11 £	Cash flow £	At 30/9/12 £
Net cash			
Cash at bank	<u>3,688</u>	<u>837</u>	<u>4,525</u>
	<u>3,688</u>	<u>837</u>	<u>4,525</u>
Total	<u>3,688</u>	<u>837</u>	<u>4,525</u>

The notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2012**

1 ACCOUNTING POLICIES**Basis of preparing the financial statements**

The financial statements have been prepared on a going concern basis. The use of the going concern basis of accounting is appropriate because there are no material uncertainties related to events or conditions that may cast significant doubt about the ability of the company to continue as a going concern.

Accounting convention

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards.

Turnover

Turnover represents net invoiced sales of services, excluding value added tax.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

2 STAFF COSTS

There were no staff costs for the year ended 30 September 2012 nor for the year ended 30 September 2011.

The average monthly number of employees during the year was as follows:

	2012	2011
Management and administration	<u>1</u>	<u>1</u>

The company had no employees, other than the Directors, none of whom were remunerated for their services to the company in the period.

3 OPERATING PROFIT

The operating profit is stated after charging:

	2012 £	2011 £
Foreign exchange differences	<u>51</u>	<u>343</u>
Director's remuneration	<u>-</u>	<u>-</u>

4 TAXATION**Analysis of the tax charge**

The tax charge on the profit on ordinary activities for the year was as follows:

	2012 £	2011 £
Current tax		
UK corporation tax	<u>542</u>	<u>700</u>
Tax on profit on ordinary activities	<u>542</u>	<u>700</u>

UK corporation tax was charged at 20% in 2012 (2011: 20%).

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2012

4 TAXATION - continued**Factors affecting the tax charge**

The tax assessed for the year is the same as the standard rate of corporation tax in the UK

	2012	2011
	£	£
Profit on ordinary activities before tax	<u>2,712</u>	<u>3,399</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2011 - 20%)	542	680
Effects of Other adjustments	<u>-</u>	<u>20</u>
Current tax charge	<u>542</u>	<u>700</u>

5 DIVIDENDS

	2012	2011
	£	£
Ordinary shares shares of £1 each Interim	<u>-</u>	<u>4,000</u>

6 DEBTORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	2012	2011
	£	£
Directors' current accounts	5,462	10,190
Tax	<u>145</u>	<u>687</u>
	<u>5,607</u>	<u>10,877</u>

7 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	2012	2011
	£	£
Other creditors	-	4,273
Accruals and deferred income	<u>1,920</u>	<u>4,250</u>
	<u>1,920</u>	<u>8,523</u>

8 CALLED UP SHARE CAPITAL

Allotted and issued			2012	2011
Number	Class	Nominal value	£	£
2	Share capital 1	£1	<u>2</u>	<u>2</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2012

9 RESERVES

	Profit and loss account £	Share premium £	Totals £
At 1 October 2011	1,042	4,998	6,040
Profit for the year	<u>2,170</u>		<u>2,170</u>
At 30 September 2012	<u>3,212</u>	<u>4,998</u>	<u>8,210</u>

10 TRANSACTIONS WITH DIRECTOR

During the year under review, dividends totalling £Nil (2011 £4,000) were paid to the company's director, Mr M Fairchild

In addition Mr Fairchild, incurred expenses on behalf of the company, totalling £Nil in the year under review (2011 £932) At the balance sheet date an unsecured amount of £5,462 (2011 £10,190) was due from Mr Fairchild and included in Director's current account balances. The highest balance outstanding in the year was £13,690 and interest of £508 calculated at 5% has been charged on the overdrawn loan balance

11 ULTIMATE CONTROLLING PARTY

The company is under the control of its director, Mr M Fairchild

12 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2012 £	2011 £
Profit for the financial year	2,170	2,699
Dividends	<u>-</u>	<u>(4,000)</u>
Net addition/(reduction) to shareholders' funds	2,170	(1,301)
Opening shareholders' funds	<u>6,042</u>	<u>7,343</u>
Closing shareholders' funds	<u>8,212</u>	<u>6,042</u>