

Jump Trading International Limited

REPORT AND FINANCIAL STATEMENTS

Year ended 31 December 2010



Company Registration No. 05976015

Jump Trading International Limited

DIRECTORS AND ADVISERS

DIRECTORS

Carey Harrold
Matthew Schrecengost
Jonathan Lantz

SECRETARY

Certagent Limited
4 Chiswell Street
London
EC1Y 4UP

REGISTERED OFFICE

Duane Morris
10 Chiswell St 2nd Floor
London
EC1Y 4UQ

FSA NUMBER

464314

AUDITOR

Baker Tilly UK Audit LLP
Chartered Accountants
25 Farringdon Street
London
EC4A 4AB

Jump Trading International Limited

DIRECTORS' REPORT

The directors submit their report and the financial statements of Jump Trading International Limited for the year ended 31 December 2010

RESULTS FOR THE YEAR AND DIVIDENDS

The profit for the year after taxation was \$5,048,597 (2009 \$6,873,577) Dividends of \$7,875 780 were paid in the year (2009 \$Nil), details of which can be found in note 5 to the financial statements

PRINCIPAL ACTIVITIES

The principal activity of the company during the year was proprietary trading The company is authorised and regulated by the Financial Services Authority

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

In its second year of business, the company has made a strong profit from its trading activities It is envisaged that this will continue into the future

KEY PERFORMANCE INDICATORS

Jump Trading International Limited manages its KPI's at Jump Financial LLC, its parent company, level The key performance indicator of the company is profit before tax

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks affecting the company are considered to relate to fluctuations in the financial markets in which the company trades

The Company used Jump Operations, LLC's real time risk management system The system allows the company to set limits on a trader by trader basis The system has the ability to set limits on the number of contracts bought or sold, maximum open position limit and maximum real time loss

GOING CONCERN

In light of the profit made in the year and after reviewing forecasts for the period to March 2012, the directors are satisfied that the business continues to be a going concern

DIRECTORS

The following directors have held office since 1 January 2010

Sofiane Maazouz - resigned 21 April 2010
Carey Harrold
Matthew Schrecengost
Jonathan Lantz

AUDITOR

A resolution to reappoint Baker Tilly UK Audit LLP, Chartered Accountants, as auditor will be put to the members at the annual general meeting

Jump Trading International Limited

DIRECTORS' REPORT

STATEMENT AS TO DISCLOSURE OF INFORMATION TO THE AUDITOR

The directors who were in office on the date of approval of these financial statements have confirmed that, as far as they are aware, there is no relevant audit information of which the auditors are unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

By order of the board



Carey Harrold
Director

4 April 2011

Jump Trading International Limited

DIRECTORS' RESPONSIBILITIES STATEMENT

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

- a select suitable accounting policies and then apply them consistently,
- b make judgements and estimates that are reasonable and prudent,
- c 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JUMP TRADING INTERNATIONAL LIMITED

We have audited the financial statements on pages 6 to 15. 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 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 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 auditor

As more fully explained 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 and express an opinion on 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

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

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 2010 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.

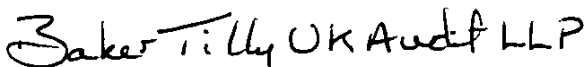
Opinion on other matter prescribed by the Companies Act 2006

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.

 Baker Tilly UK Audit LLP

DAVID CLARK (Senior Statutory Auditor)

For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor

Chartered Accountants

25 Farringdon Street

London

EC4A 4AB

8 April 2011

Jump Trading International Limited
PROFIT AND LOSS ACCOUNT
for the year ended 31 December 2010

	<i>Notes</i>	2010 \$	2009 \$
TURNOVER	<i>1</i>	8,705,601	9,985,352
Cost of Sales		(1,811,741)	(159,207)
GROSS PROFIT		6,893,860	9,826,145
Administrative expenses		(1,370,581)	(612,265)
Other income		1,070,150	-
OPERATING PROFIT	<i>2</i>	6,593,429	9,213,880
Interest receivable		43,532	11,716
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		6,636,961	9,225,596
TAXATION	<i>4</i>	(1,588,364)	(2,352,019)
PROFIT FOR THE FINANCIAL YEAR	<i>11</i>	5,048,597	6,873,577

The profit for the year arises from the company's continuing operations

No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the Profit and Loss account

Jump Trading International Limited

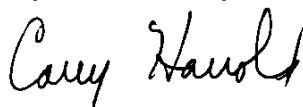
BALANCE SHEET

31 December 2010

Company registration no. 05976015

	Notes	2010 \$	2009 \$
FIXED ASSETS			
Tangible Assets	6	353,412	300,939
CURRENT ASSETS			
Debtors	7	6,745,245	4,160,948
Cash at bank and in hand		2,479,677	8,934,587
		9,224,922	13,095,535
CREDITORS Amounts falling due within one year	8	(1,457,157)	(2,465,975)
NET CURRENT ASSETS		7,767,765	10,629,560
TOTAL ASSETS LESS CURRENT LIABILITIES		8,121,177	10,930,499
PROVISIONS FOR LIABILITIES	9	(60,210)	(42,349)
NET ASSETS		8,060,967	10,888,150
CAPITAL AND RESERVES			
Called up share capital	10	5,856,026	5,856,026
Profit and loss account	11	2,204,941	5,032,124
SHAREHOLDERS' FUNDS	12	8,060,967	10,888,150

The financial statements on pages 6 to 15 were approved by the board of directors and authorised for issue on 4 April 2011 and are signed on its behalf by



Carey Harrold
Director

Jump Trading International Limited

CASH FLOW STATEMENT

for the year ended 31 December 2010

	<i>Notes</i>	2010 \$	2009 \$
Cash flow from operating activities	<i>13a</i>	5,979,109	8,949,869
Returns on investments and servicing of finance	<i>13b</i>	43,532	11,716
Taxation	<i>13b</i>	(3,080,764)	(12,291)
Capital expenditure and financial investment	<i>13b</i>	(136,189)	(319,135)
Equity dividends paid		(7,875,780)	-
(DECREASE)/ INCREASE IN CASH AND LIQUID RESOURCES IN THE YEAR	<i>13c</i>	(5,070,092)	8,630,159

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2010 \$	2009 \$
(Decrease)/increase in cash and liquid resources in the year	(5,070,092)	8,630,159
MOVEMENT IN NET FUNDS IN YEAR	(5,070,092)	8,630,159
NET FUNDS AT 1 JANUARY	13,000,942	4,370,783
NET FUNDS AT 31 DECEMBER	7,930,850	13,000,942

Jump Trading International Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2010

BASIS OF ACCOUNTING

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

The functional currency of the company is United States Dollars and the accounts have been prepared in this currency. At the year end, the sterling exchange rate to the Dollar was £1 to \$1.547.

GOING CONCERN

The directors have considered the 12 month period following approval of the financial statements and consider that it is appropriate to prepare the accounts on the going concern basis.

TURNOVER

Revenue is stated net of Value Added Tax, broker commissions, and includes the profits from proprietary trading of a range of financial products across multiple markets. Turnover is derived from European, Asian, American and South American regions.

FOREIGN CURRENCIES

Assets and liabilities denominated in foreign currencies are translated 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.

FINANCIAL INSTRUMENTS

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

TANGIBLE FIXED ASSETS

Tangible fixed assets are held at cost less accumulated depreciation.

Depreciation is provided on all tangible fixed assets at rates calculated to write each asset down to its estimated residual value evenly over its expected useful life, as follows -

Computer Equipment	- software	7 years
	- hardware	5 years

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 that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Jump Trading International Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2010

LIQUID RESOURCES

Liquid resources are defined as current asset investments held as readily disposable stores of value. Cash held at broker is considered to be liquid resources as there are no restrictions for the company to access the fund.

OPERATING LEASES

The annual rentals with respect to operating leases are charged to the profit and loss account on a straight line basis over the lease term.

Jump Trading International Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2010

1 TURNOVER

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

An analysis of turnover by geographical market is given below	2010 \$	2009 \$
Europe	1,613,075	936,590
South America	-	8,504,786
Asia	7,092,526	543,976
	<u>8,705,601</u>	<u>9,985,352</u>

2 OPERATING PROFIT

Operating profit has been arrived at after charging/(crediting)

	2010 \$	2009 \$
Auditor's remuneration	21,521	15,492
Auditor's remuneration for non-audit services	8,658	4,778
Foreign exchange gain	(256,805)	(186,042)
Depreciation of tangible fixed assets	83,716	18,196
Operating lease rentals – land and buildings	226,383	46,076
	<u></u>	<u></u>

3 EMPLOYEES

The average number of employees during the year (excluding directors) was 4 (2009 1) One director received remuneration in the year (2009 nil)

Staff costs (including directors' remuneration) consist of	2010 \$	2009 \$
Wages and salaries	1,881,767	65,035
Social Security costs	221,080	14,730
	<u>2,102,847</u>	<u>79,765</u>

	2010 \$	2009 \$
Directors' remuneration	<u>281,404</u>	<u>-</u>

Jump Trading International Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2010

4	TAXATION	2010	2009
		\$	\$
	Current tax		
	UK corporation tax charge on profits of the year	1,840,503	2,309,670
	Adjustments in respect of previous periods	(270,000)	-
	Total current tax	1,570,503	2,309,670
	Deferred tax (note 9)	17,861	42,349
	Total charge on profit on ordinary activities	1,588,364	2,352,019
		2010	2009
		\$	\$
	Factors affecting the corporation tax charge for the year		
	Profit on ordinary activities before tax	6,636,961	9,225,596
	Profit on ordinary activities at the standard rate of corporation tax in the UK 28% (2009 28%)	1,858,349	2,583,167
	Effect of		
	Expenses not deductible for tax purposes	1,067	1,313
	Capital allowances in excess of depreciation	(20,091)	(42,349)
	Pre trading losses utilised	-	(535,500)
	Foreign exchange differences	1,178	33,039
	Adjustments to tax charge in respect of previous year	(270,000)	-
	Current tax charge for the year	1,570,503	2,039,670
5	DIVIDENDS		
	During the year dividends of \$3,875,780 (\$1 17 per share in relation to 2009) and \$4,000,000 (\$1 21 per share in relation to 2010) were declared and fully paid No dividends were paid in 2009		
6	TANGIBLE FIXED ASSETS		Computer equipment
			\$
	COST		
	At 1 January 2010		319,135
	Additions		136,189
	At 31 December 2010		455,324
	DEPRECIATION		
	At 1 January 2010		18,196
	Charged in the year		83,716
	At 31 December 2010		101,912
	NET BOOK VALUE		
	At 31 December 2010		353,412
	At 31 December 2009		300,939

Jump Trading International Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2010

7	DEBTORS Amounts falling due within one year	2010 \$	2009 \$
	Cash held with broker	5,451,173	4,066,355
	Amounts owed by group undertakings	1,194,035	-
	Other debtors	53,005	48,085
	Prepayments	47,032	46,508
		<u>6,745,245</u>	<u>4,160,948</u>
8	CREDITORS Amounts falling due within one year	2010 \$	2009 \$
	Trade creditors	57,401	69,569
	Amounts owed to group undertakings	-	73,501
	Corporation tax	798,732	2,308,993
	Accruals	601,024	13,912
		<u>1,457,157</u>	<u>2,465,975</u>
9	PROVISIONS FOR LIABILITIES	2010 \$	2009 \$
	Deferred tax		
	Capital allowances in excess of depreciation	60,210	42,349
		<u>60,210</u>	<u>42,349</u>
	Provision at start of year	42,349	-
	Deferred tax charge in profit and loss account for year	17,861	42,349
		<u>60,210</u>	<u>42,349</u>
10	SHARE CAPITAL	2010 \$	2009 \$
	Authorised		
	10,000,000 ordinary shares of £1 each	14,593,000	14,593,000
		<u>14,593,000</u>	<u>14,593,000</u>
	Allotted, issued and fully paid		
	3,307,807 ordinary shares of £1 each	5,856,026	5,856,026
		<u>5,856,026</u>	<u>5,856,026</u>
11	PROFIT AND LOSS ACCOUNT	2010 \$	2009 \$
	At 1 January 2010	5,032,124	(1,841,453)
	Profit for the financial year	5,048,597	6,873,577
	Dividends	(7,875,780)	-
		<u>2,204,941</u>	<u>5,032,124</u>
	At 31 December 2010	<u>2,204,941</u>	<u>5,032,124</u>

Jump Trading International Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2010

12	RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS	2010 \$	2009 \$
	Profit for the financial year	5,048,597	6,873,577
	Dividends	(7,875,780)	-
	Net (reduction in)/addition to shareholders' funds	(2,827,183)	6,873,577
	Opening shareholders' funds	10,888,150	4,014,573
	Closing shareholders' funds	8,060,967	10,888,150
13	NOTES TO THE CASHFLOW STATEMENT	2010 \$	2009 \$
a	RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES		
	Operating profit	6,593,429	9,213,880
	Depreciation	83,716	18,196
	Increase in debtors (not including cash at broker)	(1,199,479)	(81,781)
	Increase/(decrease) in creditors	501,443	(200,426)
	Net cash inflow from operating activities	5,979,109	8,949,869
b	ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT		
	Returns on investments and servicing of finance		
	Interest received	43,532	11,716
	Net cash inflow from returns on investments and servicing of finance	43,532	11,716
	Corporation tax paid	(3,080,764)	(12,291)
	Taxation	(3,080,764)	(12,291)
	Capital expenditure and financial investment		
	Purchase of tangible fixed assets	(136,189)	(319,135)
	Net cash outflow from capital expenditure and financial investment	(136,189)	(319,135)
c	ANALYSIS OF NET FUNDS	At 1 January 2010 \$	At 31 December 2010 \$
	Cash at bank and in hand	8,934,587	2,479,677
	Cash at broker	4,066,355	5,451,173
	Total	13,000,942	7,930,850

Jump Trading International Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2010

14 COMMITMENTS UNDER OPERATING LEASES

At 31 December the company was committed to making the following payments during the next year under non-cancellable operating leases as follows -

	2010	2009
	\$	\$
Land and buildings		
Expiring within 1 year	207,889	196,205
	<u>207,889</u>	<u>196,205</u>

15 RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemptions from disclosures of transactions with group companies available to subsidiary undertakings under Financial Reporting Standard No 8, where 100% of a subsidiary's voting rights are controlled within the group

16 ULTIMATE CONTROLLING PARTY

The directors consider their direct parent, Jump Financial LLC, a company incorporated in the USA, to be the ultimate controlling party. Financial statements are available from Jump Financial LLC, 600 W Chicago Avenue, Suite 825, Chicago, Illinois, USA