

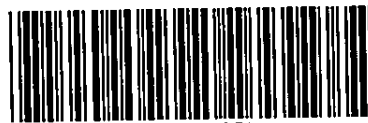
Registered number 06324658

## **FX CAPITAL GROUP LIMITED**

### **DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2009**

**TUESDAY**



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## **FX CAPITAL GROUP LIMITED**

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### **COMPANY INFORMATION**

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**DIRECTORS**

N Verdon  
M Edworthy (appointed 1 March 2009 & resigned 1 June 2009)  
D Mason (appointed 26 March 2009 & resigned 31 December 2009)  
S Lemon (appointed 26 March 2009)  
S Park (appointed 26 March 2009)  
H Lafferty (appointed 26 March 2009)

**COMPANY SECRETARY**

N Verdon

**COMPANY NUMBER**

06324658

**REGISTERED OFFICE**

Mercury House  
Triton Court  
14 Finsbury Square  
London  
EC2A 1BR

**AUDITORS**

Reeves+Neylan LLP  
Statutory Auditors & Chartered Accountants  
Third Floor  
24 Chiswell Street  
London  
EC1Y 4YX

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**FX CAPITAL GROUP LIMITED**

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## **FX CAPITAL GROUP LIMITED**

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### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2009**

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The directors present their report and the financial statements for the year ended 31 December 2009

#### **PRINCIPAL ACTIVITIES**

The principal activity of the company continued to be that of a holding company

#### **DIRECTORS**

The directors who served during the year were

N Verdon

M Edworthy (appointed 1 March 2009 & resigned 1 June 2009)

D Mason (appointed 26 March 2009 & resigned 31 December 2009)

S Lemon (appointed 26 March 2009)

S Park (appointed 26 March 2009)

H Lafferty (appointed 26 March 2009)

#### **AUDITORS**

The auditors, Reeves+Neylan LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006

#### **ACQUISITION OF OWN SHARES**

During the year company repurchased and cancelled 481,250 Ordinary A shares of £0.001 each for a total consideration of £18,908. The repurchase was made because, although M Edworthy resigned as a director on good terms with the company, it was felt that his holding within the company should be diluted and therefore a portion of the shares owned by him were repurchased.

#### **STATEMENT OF 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 these 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,
- 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.

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**FX CAPITAL GROUP LIMITED**

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**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2009**

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**PROVISION OF INFORMATION TO AUDITORS**

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that

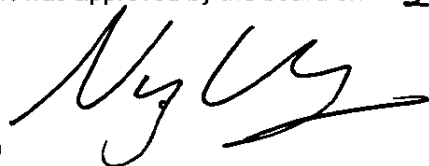
- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006

This report was approved by the board on 21 June 2010

and signed on its behalf

N Verdon  
Director



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## **FX CAPITAL GROUP LIMITED**

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### **INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF FX CAPITAL GROUP LIMITED**

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We have audited the financial statements of FX Capital Group Limited for the year ended 31 December 2009, set out on pages 5 to 12. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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 Auditors' 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**

As explained more fully in the Statement of directors' responsibilities, 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.

#### **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 loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **EMPHASIS OF MATTER**

In forming our opinion on the financial statements, which is not qualified, we have concluded the adequacy of the disclosure made in note 1 to the financial statements concerning the company's ability to continue as a going concern. The company incurred a loss of £42,889 during the year ended 31 December 2009 and at that date its subsidiary company owed the company £492,750, however, this company has significant net liabilities and its ability to repay this balance is uncertain. These conditions indicate the existence of a material uncertainty which may cast a significant doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

#### **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.

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**FX CAPITAL GROUP LIMITED**

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**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF FX CAPITAL GROUP LIMITED**

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**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, or
- the directors were not entitled to prepare the financial statements and the Directors' report in accordance with the small companies regime

*Reeves & Neylan LLP*

James O'Brien ACA (Senior statutory auditor)  
for and on behalf of

**REEVES+NEYLAN LLP**

Statutory Auditors  
Chartered Accountants  
Third Floor  
24 Chiswell Street  
London  
EC1Y 4YX

Date *30 July 2010*

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**FX CAPITAL GROUP LIMITED**

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**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2009**

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	Note	2009 £	2008 £
<b>TURNOVER</b>	1	-	3,668
Administrative expenses		<u>(42,673)</u>	<u>(29,003)</u>
<b>OPERATING LOSS</b>	2	<u>(42,673)</u>	<u>(25,335)</u>
Amounts written off investments		-	(2,000)
Interest receivable		<u>57</u>	<u>-</u>
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<u>(42,616)</u>	<u>(27,335)</u>
Tax on loss on ordinary activities	4	<u>(273)</u>	<u>5,600</u>
<b>LOSS FOR THE FINANCIAL YEAR</b>	9	<u><u>(42,889)</u></u>	<u><u>(21,735)</u></u>

The notes on pages 7 to 12 form part of these financial statements



**FX CAPITAL GROUP LIMITED**  
**REGISTERED NUMBER: 06324658**

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2009**

	Note	£	2009 £	£	2008 £
<b>FIXED ASSETS</b>					
Fixed asset investments	5		1,000		1,000
<b>CURRENT ASSETS</b>					
Debtors	6	517,753		10,939	
Cash at bank		4,492		645	
		<u>522,245</u>		<u>11,584</u>	
<b>CREDITORS</b> amounts falling due within one year	7	(17,512)		(33,319)	
<b>NET CURRENT ASSETS/(LIABILITIES)</b>			<u>504,733</u>		<u>(21,735)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>505,733</u>		<u>(20,735)</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	8		2,634		1,000
Share premium account	9		567,723		-
Profit and loss account	9		(64,624)		(21,735)
<b>SHAREHOLDERS' FUNDS/(DEFICIT)</b>			<u>505,733</u>		<u>(20,735)</u>

The financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The financial statements were approved and authorised for issue by the board and were signed on its behalf on  
21 June 2010



N Verdon  
Director

The notes on pages 7 to 12 form part of these financial statements

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## FX CAPITAL GROUP LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

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#### 1. ACCOUNTING POLICIES

##### 1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

During the year ended 31 December 2009, the company's subsidiary company, FX Capital Securities Limited, incurred a loss of £465,723 and at this date its current liabilities exceed its total assets by £430,825. At the balance sheet date, there is a balance due to the company from the subsidiary of £492,750 and the company has confirmed to its subsidiary that they will not call for repayment of this sum until the subsidiary has sufficient cash reserves to do, without prejudice to their other creditors. The company has additionally confirmed that it will provide further financial support, if required, to enable the subsidiary to meet its liabilities as they fall due. In order to provide this financial support, the directors of the company are currently undergoing a capital raising process and are confident that sufficient funds will be available following this to continue to provide this support.

Therefore, on this basis, the directors are of the opinion that the financial statements should be prepared on the going concern basis.

The company is the parent undertaking of a small group and as such is not required by the Companies Act 2006 to prepare group accounts. These financial statements therefore present information about the company as an individual undertaking and not about its group.

##### 1.2 TURNOVER

Turnover comprises interest income on financial assets and is recognised in the profit and loss account at a constant periodic rate on the balance outstanding for each accounting period.

##### 1.3 INVESTMENTS

Investments held as fixed assets are shown at cost less provision for impairment.

#### 2. OPERATING LOSS

The operating loss is stated after charging

	2009 £	2008 £
Auditors' remuneration	3,000	-

#### 3. DIRECTORS' REMUNERATION

	2009 £	2008 £
Aggregate emoluments	17,250	-

**FX CAPITAL GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2009**

**4 TAXATION**

	2009 £	2008 £
<b>ANALYSIS OF TAX CHARGE IN THE YEAR/PERIOD</b>		
Adjustments in respect of prior periods	273	-
	<u>273</u>	<u>-</u>
Group taxation relief	-	(5,600)
	<u>-</u>	<u>(5,600)</u>
<b>TAX ON LOSS ON ORDINARY ACTIVITIES</b>	<u><u>273</u></u>	<u><u>(5,600)</u></u>

**5 FIXED ASSET INVESTMENTS**

	Shares in group undertakings £
<b>COST OR VALUATION</b>	
At 1 January 2009	3,000
Disposals	(2,000)
	<u>1,000</u>
At 31 December 2009	<u>1,000</u>
<b>IMPAIRMENT</b>	
At 1 January 2009	2,000
Impairment on disposals	(2,000)
	<u>-</u>
At 31 December 2009	<u>-</u>
<b>NET BOOK VALUE</b>	
At 31 December 2009	<u><u>1,000</u></u>
At 31 December 2008	<u><u>1,000</u></u>

**SUBSIDIARY UNDERTAKINGS**

The following were subsidiary undertakings of the company

Name	Class of shares	Holding
FX Capital Securities Limited	Ordinary	100%
FX CG Services Limited	Ordinary	100%

Name	Business	Country of incorporation
FX Capital Securities Limited	Foreign exchanges broking	England and Wales
FX CG Services Limited	Dormant	England and Wales

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**FX CAPITAL GROUP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2009**

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**5 FIXED ASSET INVESTMENTS (continued)**

The aggregate of the share capital and reserves as at 31 December 2009 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows

Name	Aggregate of share capital and reserves £	Profit/(loss) £
FX Capital Securities Limited	(430,825)	(465,723)
FX CG Services Limited	1,000	-
	<u>1,000</u>	<u>-</u>

**6 DEBTORS**

	2009 £	2008 £
Amounts owed by group undertakings	492,750	5,164
Other debtors	25,003	5,775
	<u>517,753</u>	<u>10,939</u>

**7. CREDITORS:  
AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2009 £	2008 £
Amounts owed to group undertakings	-	1,778
Corporation tax	5	-
Other creditors	17,507	31,541
	<u>17,512</u>	<u>33,319</u>

**8 SHARE CAPITAL**

	2009 £	2008 £
<b>ALLOTTED, CALLED UP AND FULLY PAID</b>		
1,000 Ordinary A shares of £1 each	-	1,000
1,657,026 Ordinary A shares of 0 1p each	1,657	-
976,529 Ordinary B shares of 0 1p each	977	-
	<u>2,634</u>	<u>1,000</u>

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## FX CAPITAL GROUP LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

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#### 8 SHARE CAPITAL (continued)

On 26 March 2009 a resolution was passed to sub-divide and reclassify the company's issued share capital of 1,000 Ordinary shares of £1 00 each into 1,000,000 Ordinary A shares of £0 001 each. At the same time the company's authorised share capital was increased from £1,000 to £5,000 by the creation of 3,271,380 Ordinary A shares of £0 001 each and 728,620 Ordinary B shares of £0 001 each.

On 26 March 2009, the company issued 1,054,320 Ordinary A shares of £0 001 each for a total consideration of £41,424 and 728,620 Ordinary B shares of £0 001 each for a total consideration of £400,012.

On 26 October 2009, a resolution was passed to increase the company's authorised share capital from £5,000 to £5,500 by the creation of 500,000 Ordinary B shares of £0 001 each.

On 26 October 2009, the company repurchased and cancelled 481,250 Ordinary A shares of £0 001 each for a total consideration of £18,908. This repurchase was funded through a fresh issue of shares on the same day of 63,634 Ordinary A shares of £0 001 each for a total consideration of £2,500 and 247,909 Ordinary B shares of £0 001 each for a total consideration of £136,102.

On 10 December 2009, the company issued 5,750 Ordinary A shares of £0 001 each for a total consideration of £226.

On 24 December 2009, the company issued 14,572 Ordinary A shares of £0 001 each for a total consideration of £8,000.

#### Share Option 1

On 26 March 2009, the company set up a share option scheme to 3 directors. The share option scheme grants a total of 227,028 Ordinary A shares of £0 001 each at an exercise price of 3 929 pence per share. In order to be able to exercise these options, the grantee is required to loan the company the value of the consideration and the company must also have achieved a Run Rate of £75,000 per month for a period of no less than 3 consecutive months. The option may only be exercised within 6 months after the date of satisfaction of the above criteria and within 2 years of the grant date of 26 March 2009 otherwise the share options will lapse.

During the year, one share option for 53,355 Ordinary A shares of £0 001 each was terminated and the loan was repaid.

During the year, one share option for 14,589 Ordinary A shares of £0 001 each was terminated and the loan was repaid after the year end.

#### Share Option 2

On 26 March 2009, the company set up a share option scheme to 2 shareholders. The share option scheme grants a total of 636,582 Ordinary A shares of £0 001 each at an exercise price of £4 39849 per share. The share option may only be exercised at the earliest of, the grantee agreeing that the company has achieved a valuation of no less than £14 million, the date of approval of the company accounts which submits that the company has achieved a valuation of no less than £14 million, and 26 March 2015. The exercise must be made within 12 months of the earliest of the above dates otherwise the share options will lapse.

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**FX CAPITAL GROUP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2009**

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**8 SHARE CAPITAL (continued)**

**Share Option 3**

On 26 March 2009, the company set up a share option scheme for one of the company's shareholders, Nauiokas Park LLP. The share option scheme grants a total of 15,940 Ordinary A shares of £0.001 each at an exercise price of 54.9 pence per share. In order to be able to exercise these options, Sean Park, a non-executive director, has to have completed a continuous period of 12 months as a non-executive director of the company. If this condition has not been satisfied by 30 April 2010, or the option has not been exercised within 6 months of satisfaction then the share options will lapse.

**Share Option 4**

On 26 March 2009, the company set up two share option schemes for Nigel Verdon, a director of the company. Both share option schemes grant 159,000 Ordinary A shares of £0.001 each with an exercise price of 3.929 pence per share.

In order to be able to exercise the first share option, the company is required to achieve break-even and at such date Nigel Verdon must continue to be an employee and/or director of the company. If the share option is not exercised on or before 26 March 2015 then it shall lapse. Once the first share option has been exercised, the company will issue 47,700 Ordinary A shares of £0.001 each to Nigel Verdon and then continue to issue 4,638 Ordinary A shares of £0.001 each, each month for a period of 12 months. Subsequently, the company will issue 4,637 Ordinary A shares of £0.001 each, each month for a further period of 12 months.

The second share option scheme may only be exercised at the earliest of, Nigel Verdon agreeing that the company has achieved a valuation of no less than £20 million, and the date of approval of the company accounts which submits that the company has achieved a valuation of no less than £20 million. The exercise must be made within 12 months of the earliest of the above dates otherwise the share options will lapse. Once exercise has been made, the company will issue 47,700 Ordinary A shares of £0.001 each to Nigel Verdon and then continue to issue 4,638 Ordinary A shares of £0.001 each, each month for a period of 12 months. Subsequently, the company will issue 4,637 Ordinary A shares of £0.001 each, each month for a further period of 12 months.

**9 RESERVES**

	Share premium account £	Profit and loss account £
At 1 January 2009	-	(21,735)
Loss for the year	-	(42,889)
Premium on shares issued during the year	567,723	-
At 31 December 2009	<u>567,723</u>	<u>(64,624)</u>

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## **FX CAPITAL GROUP LIMITED**

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### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009**

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#### **10 RELATED PARTY TRANSACTIONS**

During the year M Edworthy, a director of the company, loaned the company £2,096 (2008 £nil) as part of the share option agreement that was offered to him. The company repaid £2,096 (2008 £nil) to M Edworthy during the year and the balance due to him at the year end was £nil (2008 £nil).

During the year D Mason, a director of the company, loaned the company £573 (2008 £nil) as part of the share option agreement that was offered to him. The balance due to D Mason at the year end was £573 (2008 £nil).

During the year N Verdon, a director of the company, loaned the company £32,221 (2008 £31,541). The company repaid £23,846 (2008 £nil) to N Verdon during the year. N Verdon was issued shares during the year to the value of £8,000 for which he has yet to pay. There were also net cash transactions made to the company from N Verdon of £29,983 (2008 £nil). The balance due to N Verdon at the year end was £1,933 (2008 £31,541).

During the year, the net expenditure on behalf of FX Capital Securities Limited, a subsidiary company, totalling £103,989 (2008 £5,164). FX Capital Securities Limited met expenditure on behalf of the company totalling £36,143 (2008 £nil). The company also transferred £312,384 (2008 £nil) to FX Capital Securities Limited during the year and FX Capital Securities Limited received £102,023 (2008 £nil) on behalf of the company. The company also paid £5,333 (2008 £nil) to FX Capital Securities Limited in respect of losses claimed under the group relief provision. At the year end there is a balance of £492,750 (2008 £5,164) due from FX Capital Securities Limited.

#### **11 FINANCIAL COMMITMENTS**

Included within "Debtors" (note 6) is an amount due from FX Capital Securities Limited, a subsidiary undertaking, of £492,750. The directors have confirmed that they will not seek repayment of this debt until FX Capital Securities Limited has sufficient cash reserves to do so without prejudice to the other creditors. The directors have additionally indicated that they will provide additional financial support to this company to enable it to meet its liabilities as they fall due.