

Company Number: 4829686

EXOTIX INVESTMENTS LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2008

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EXOTIX INVESTMENTS LIMITED

Directors' Report for the year ended 31 March 2008

The directors present their report and the audited financial statements of the company for the year ended 31 March 2008.

PRINCIPAL ACTIVITY

The company's principal activity is proprietary trading of positions in illiquid financial instruments.

The company is incorporated and domiciled in England & Wales. The registered office is 2 Broadgate, London, EC2M 7UR.

BUSINESS REVIEW

The directors consider the year end financial position to be satisfactory.

Principal risks and uncertainties

These are disclosed in further detail within note 2 of the financial statements.

Results and dividends

The results of the company are set out in the income statement on page 4. The directors do not recommend the payment of a dividend (2007: £nil). The profit for the year of £958,000 (2007: £138,000) has been transferred to reserves.

FINANCIAL RISK MANAGEMENT

The company's risk profile and financial risk management policies are disclosed in note 2 to the financial statements.

KEY PERFORMANCE INDICATORS

Given the straightforward nature of the business, the company's directors are of the opinion that revenue and operating profit are key performance indicators of the business. These are disclosed on page 4.

DIRECTORS

The directors of the company, who held office during the year were:

P J Bartlett
A Chappell
D Gelber
M Wreford

DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

The directors are responsible for preparing financial statements for each financial year which give a true and fair view, in accordance with IFRSs as adopted by the European Union, 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 the financial statements comply with IFRSs as adopted by the European Union; 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 confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records that 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 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.

EXOTIX INVESTMENTS LIMITED

Directors' Report for the year ended 31 March 2008

The directors are satisfied that the company has adequate resources to continue to operate for the foreseeable future and confirm that the company is a going concern.

LAYING OF REPORTS AND ACCOUNTS

The company has passed an elective resolution dispensing with the requirement to lay reports and accounts before the members of the company in the general meeting. However, under the provisions of section 253(2) of the Companies Act 1985 (as amended), any member of the company has the right to require this report and accounts to be laid before the members of the company in the general meeting. Any member wishing to exercise this right must deposit notice at the company's registered office within 28 days of the date of this report.

PROVISION OF INFORMATION TO THE AUDITORS

So far as each of the directors are aware, there is no relevant audit information of which the company's auditors are unaware.

The directors have each taken all steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

On 18 February 2008 Smith & Williamson Solomon Hare Audit LLP changed its name to Nexia Smith & Williamson Audit (Bristol) LLP, trading as Nexia Smith & Williamson LLP.

Nexia Smith & Williamson LLP have indicated their willingness to continue in office.

By Order of the Board



T A Cavanagh

Secretary

Date: 17 November 2008

EXOTIX INVESTMENTS LIMITED

Independent Auditors' Report to the shareholders of Exotix Investments Limited

We have audited the financial statements of Exotix Investments Limited for the year ended 31 March 2008 which comprise the Income Statement, the Balance Sheet, the Cash Flow Statement, the Statement of Change in Shareholders' Equity and the related notes 1 to 16. These financial statements have been prepared under 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 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 described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union applied in accordance with the provisions of the Companies Act 1985.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We read the information contained within the Directors' Report and consider whether it is consistent with the audited financial statements.

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 report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements. We also report to you if, in our opinion, 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 the information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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, in accordance with IFRS's as adopted by the European Union applied in accordance with the provisions of the Companies Act 1985, of the state of the company's affairs as at 31 March 2008 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and

the information given in the Directors' Report is consistent with the financial statements.

Nexia Smith & Williamson LLP

Nexia Smith & Williamson LLP

Chartered Accountants

Registered Auditors

Portwall Place

Portwall Lane

Bristol

BS1 6NA

Date:

28 November 2008.

EXOTIX INVESTMENTS LIMITED
Income Statement as at 31 March 2008

	<u>Note</u>	<u>Year ended</u> <u>31 March 2008</u> £'000	<u>Year ended</u> <u>31 March 2007</u> £'000
Revenue	3	1,602	815
Administrative expenses	4	(239)	(609)
Other operating expenses	7	-	(1)
Operating Profit		<u>1,363</u>	<u>205</u>
Finance income	8	6	-
Finance costs	9	-	(5)
Profit before taxation		<u>1,369</u>	<u>200</u>
Taxation	10	(411)	(62)
Profit for the year		<u><u>958</u></u>	<u><u>138</u></u>

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

The notes on pages 8 to 16 form part of these financial statements.

EXOTIX INVESTMENTS LIMITED
Statement of Changes in Equity as at 31 March 2008

	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
	£'000	£'000	£'000
As at 1 April 2006	1,000	1,107	2,107
Profit for the year	-	138	138
As at 31 March 2007	<u>1,000</u>	<u>1,245</u>	<u>2,245</u>
Profit for the year	-	958	958
As at 31 March 2008	<u><u>1,000</u></u>	<u><u>2,203</u></u>	<u><u>3,203</u></u>

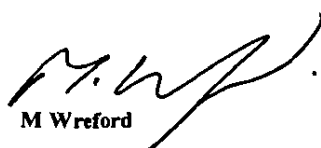
The notes on pages 8 to 16 form part of these financial statements.

EXOTIX INVESTMENTS LIMITED
Balance Sheet for the year ended 31 March 2008

	<u>Note</u>	<u>As at</u> <u>31 March 2008</u> £'000	<u>As at</u> <u>31 March 2007</u> £'000
Current assets			
Trade and other receivables	11	157	246
Derivative financial instruments	12	-	3
Held for trading investments	13	10,976	3,403
Total assets		<u>11,133</u>	<u>3,652</u>
Current liabilities			
Trade and other payables	14	(7,782)	(1,345)
Tax payable		(148)	(62)
Total liabilities		<u>(7,930)</u>	<u>(1,407)</u>
Net assets		<u>3,203</u>	<u>2,245</u>
Equity			
Called up share capital	15	1,000	1,000
Retained earnings		2,203	1,245
Total equity		<u>3,203</u>	<u>2,245</u>

The financial statements were approved by the board of directors on 17th November 2008 and were signed on its behalf by:


P J Bartlett


M Wreford
Directors

The notes on pages 8 to 16 form part of these financial statements.

EXOTIX INVESTMENTS LIMITED**Cash Flow Statement for the year ended 31 March 2008**

	<u>Year</u> <u>ended</u> <u>31 March 2008</u> £'000	<u>Year</u> <u>ended</u> <u>31 March 2007</u> £'000
Cash flows from operating activities		
Profit before taxation	1,369	200
Adjustments for:		
Net finance (income)/costs	(6)	5
Operating cash flows before movements in working capital	<u>1,363</u>	<u>205</u>
Decrease/(increase) in trade and other receivables	89	(246)
Decrease in derivative financial instruments	3	2
Increase in trading investments	(7,573)	(776)
Increase in trade and other payables	6,437	1,140
Operating cash flows after movements in working capital	<u>319</u>	<u>325</u>
Taxation paid	(325)	(329)
Net cash used in operating activities	<u>(6)</u>	<u>(4)</u>
Cash flows from financing activities		
Interest paid	-	(5)
Cash flows from investing activities		
Interest received	6	-
Net decrease in cash and cash equivalents	<u>-</u>	<u>(9)</u>
Net cash and cash equivalents at beginning of year	-	9
Net cash and cash equivalents at end of year	<u>-</u>	<u>-</u>

The notes on pages 8 to 16 form part of these financial statements

EXOTIX INVESTMENTS LIMITED

Notes to the financial statements for the year ended 31 March 2008

1. PRINCIPAL ACCOUNTING POLICIES

a) Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the EU, the Companies Act 1985 and under the historical cost convention.

b) Revenue

Revenue comprises realised and unrealised gains and losses from changes in fair value of illiquid equities, bonds and loans held for trading.

c) Borrowing costs

All borrowing costs are expensed as finance costs in the income statement using the applicable effective interest rate.

d) Taxation

Tax on the profit for the year comprises current tax as well as adjustments in respect of prior periods. Tax is charged or credited to the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted, or substantially enacted by the balance sheet date.

e) Foreign currencies

Transactions denominated in foreign currencies are translated into the functional currency at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Exchange differences are taken to the income statement, except for exchange differences arising on non-monetary assets and liabilities where the changes in fair value are taken directly to reserves. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined.

f) Derivative financial instruments

Financial assets and liabilities, whose value changes in response to changes in its underlying components and are settled at a future date are designated as derivative financial instruments. Derivatives are used by the company to mitigate financial risks, such as changes in foreign exchange and interest rate. Such instruments are initially recognised at cost or premium paid and subsequently carried at fair value determined by reference to a quoted market price. Gains and losses arising from changes in fair value are recognised in the income statement.

g) Investments

Investments are recognised at trade-date and are classified as held-for-trading ("trading investments") if they were principally acquired for selling in the short term, otherwise they are classified as available-for-sale ("other investments"). Where investments are held for trading purposes, gains and losses arising from changes in fair value are included in the income statement. For other investments, gains and losses arising from changes in fair value are recognised directly in equity, until the investment is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognised in equity is included in the income statement.

The fair values of investments traded in active markets are based on quoted market prices at the balance sheet date. For investments not traded in active markets (illiquid assets), quoted market prices or dealer quotes for similar instruments are used making provision for the discount that would be required to achieve a sale in markets in which a buyer might not readily be sourced.

EXOTIX INVESTMENTS LIMITED

Notes to the financial statements for the year ended 31 March 2008

1. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

h) Cash and cash equivalents

Cash equivalents includes all investments readily convertible to a known amount of cash and subject to an insignificant risk of changes in value when it has a maturity of three months or less from the date of acquisition.

i) Impairment of assets

An impairment review of the recoverable amounts of assets is undertaken at each balance sheet date or when such events or changes in circumstances indicate that an impairment loss may have occurred.

j) Share capital

Ordinary and non-mandatory redeemable preference shares are classified as equity. Dividends are recognised as deductions from retained earnings in the period in which they are declared.

k) Accounting estimates and judgements

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. Due to the inherent uncertainty in making estimates, actual results reported in future periods may be based upon amounts which differ from those estimates. Estimates, judgments and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any further periods affected. Those estimates and significant judgments deemed critical to the company's results and financial position, based upon materiality and significant judgments are discussed below.

i) *Financial assets* – for financial assets that are quoted in active markets, fair values are determined by reference to the current quoted price. Where independent prices (e.g. for unquoted items) are not available, fair values may be determined using valuation techniques with reference to observable market data. These may include comparison to similar instruments where market observable prices exist, discounted cash flow analysis and other valuation techniques.

ii) *Trade receivables* – the company provides for impairment of trade receivables to estimate existing bad debts and amendments to sales invoices. The provision is estimated based on historic trends and future expectations.

l) Recent accounting development

As at the date of authorisation of these financial statements, the following Standards and Interpretations were in issue but not yet effective. The company has not applied these Standards and Interpretations in the preparation of these financial statements:

IFRS8 'Operating Segments' applies to accounting periods beginning after 1 January 2009. This standard replaces IAS14 'Segment Reporting' and is mandatory only for companies whose equity instruments are traded in a public market.

IFRIC13 'Customer Loyalty Programmes' applies to accounting periods beginning after 1 July 2008 and is not expected to have any impact of the company's financial statements.

IFRIC14 IAS19 'Minimum Funding Requirements' applies to accounting periods beginning after 1 January 2008 and is not expected to have any impact on the company's financial statements.

Amendments to IAS1 'Presentation of Financial Statements', IAS23 'Borrowing Costs', IAS32 'Financial Instruments: Presentation', IFRS3 'Business Combinations', IFRS2 'Share-Based Payment', and IAS27 'Consolidated and Separate Financial Statements' all apply to accounting periods beginning after 1 January 2009 and have not yet been endorsed by the EU.

The impact on the company's financial statements of the future adoption of the Standards and Interpretations is still under review, but the company does not expect any of these changes to have a material effect on the results or net assets of the Company.

EXOTIX INVESTMENTS LIMITED

Notes to the financial statements for the year ended 31 March 2008

2. FINANCIAL RISK MANAGEMENT

Financial risk factors

The company's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk, as explained below. It is from the management of these risks that the company derives its income. The overall financial risk management framework, strategy and policies of the company are determined by the board, representatives of which are responsible for the management of the portfolio of assets held by the company.

Financial assets and liabilities

The company's classification of financial assets as at 31 March 2008 are analysed below:

	<u>Financial assets at fair value through profit or loss</u> £'000	<u>Loans and receivables</u> £'000	<u>Total</u> £'000
Financial assets			
Held-for-trading investments	10,976	-	10,976
Other receivables	-	157	157
	<u>10,976</u>	<u>157</u>	<u>11,133</u>

Classification of financial assets as at 31 March 2007:

	<u>Financial assets at fair value through profit or loss</u> £'000	<u>Loans and receivables</u> £'000	<u>Total</u> £'000
Financial assets			
Held-for-trading investments	3,403	-	3,403
Derivative financial instruments	3	-	3
Other receivables	-	246	246
	<u>3,406</u>	<u>246</u>	<u>3,652</u>

Financial assets can be reconciled as follows:

	<u>As at 31 March 2008</u> £'000	<u>As at 31 March 2007</u> £'000
Financial assets		
Trade and other receivables	157	246
Held-for-trading investments	10,976	3,403
Designated as fair value	-	3
	<u>11,133</u>	<u>3,652</u>

None of the company's financial liabilities are held for trading.

a) *Market risk*

Foreign exchange risk

The company is exposed to both transactional and translational fluctuations in the value of financial instruments due to exchange rate movements. Although the portfolio of investments is geographically spread across emerging market instruments there is strong correlation of Foreign Exchange risk to G7 currencies. This exposure is managed as if it were an instrument within the portfolio of assets the

EXOTIX INVESTMENTS LIMITED

Notes to the financial statements for the year ended 31 March 2008

2. FINANCIAL RISK MANAGEMENT (CONTINUED)

company holds. It is estimated that, based on year-end exchange rates, a 10 cent strengthening in the exchange rates of the United States Dollar and the Euro would have favourable impacts of £145,000 and £398,000 respectively on the company's income statement and equity.

The table below summarises the company's exposure to concentrations of foreign currencies as at 31 March 2008:

	<u>USD</u> £'000	<u>EUR</u> £'000	<u>OTHER</u> £'000	<u>GBP</u> £'000	<u>Total</u> £'000
Assets					
Trade and other receivables	-	-	-	157	157
Held-for-trading investments	2,594	2,862	5,234	286	10,976
	<u>2,594</u>	<u>2,862</u>	<u>5,234</u>	<u>443</u>	<u>11,133</u>
Liabilities					
Trade and other payables	-	-	-	(7,782)	(7,782)
Net financial assets	<u>2,594</u>	<u>2,862</u>	<u>5,234</u>	<u>(7,339)</u>	<u>3,351</u>

Other currencies noted in the table above are predominantly those of African countries such as Nigeria (£1,365,000), Zimbabwe (£1,021,000) and Ghana (£958,000).

The table below summarises the company's exposure to concentrations of foreign currencies as at 31 March 2007:

	<u>USD</u> £'000	<u>EUR</u> £'000	<u>OTHER</u> £'000	<u>GBP</u> £'000	<u>Total</u> £'000
Assets					
Trade and other receivables	-	-	-	246	246
Held-for-trading investments	1,896	565	898	44	3,403
Designated as fair value	-	-	-	3	3
	<u>1,896</u>	<u>565</u>	<u>898</u>	<u>293</u>	<u>3,652</u>
Liabilities					
Trade and other payables	-	-	-	(1,345)	(1,345)
Net financial assets	<u>1,896</u>	<u>565</u>	<u>898</u>	<u>(1,052)</u>	<u>2,307</u>

Interest rate risk

The company's financial assets and liabilities are largely non interest bearing and are held for capital appreciation. The company funds the purchase of these assets from both retained reserves and an interest free loan from a fellow subsidiary of Exotix Holdings Limited. The exposure of the company to interest rate risk is therefore minimal.

Price risk

The Company is exposed to price risk on the portfolio of assets that it holds for investment purposes and derives its income from the management of this risk. Within a portfolio of investments a mixture of long and short positions and sectorial diversification can result in correlations that minimise the impact of price movements. In the context of the income stream of the company, price risk is a combination of the factors that influence the market price of the instruments in which the investments are made. For fixed income investments price risk is primarily driven by the ability of the obligor to pay capital and interest on the due dates and the volatility of the risk free interest rate. For equity investments, price is influenced

EXOTIX INVESTMENTS LIMITED

Notes to the financial statements for the year ended 31 March 2008

2. FINANCIAL RISK MANAGEMENT (CONTINUED)

by not only the credit quality of the issuer, but also the perception of the volatility and growth of future income streams. The interplay between these factors and the impact global, sectorial or regional economic down-turn has on these price factors means that it is very difficult to quantify price risk.

Normally, this is quantified by the value at risk ("VaR") which quantifies the expected movement in value over a time horizon by projecting forward the historic volatility in price.

As the directors of the company have deliberately not sought to hedge exposures within the portfolio and invest only in emerging market securities the portfolio has a high correlation of risk. As a result income is highly susceptible to price movements and, based on year-end portfolio valuation, a 1% movement in the value of the underlying assets would have a £98k impact on pre-tax profits. Because the assets in which the company has invested are illiquid and price movements event driven (such as the restructuring of a defaulted bond) a VaR approach to estimating price risk cannot be taken.

The impact of price risk on profits is also dependant upon the value of assets held in the investment portfolio. During the year this fluctuated between £3m and £11m. Based on the average value of investments in the year a 1% movement in the value of the underlying assets would have a £71k impact on pre-tax profits.

b) Credit risk

Credit risk on the assets held in the portfolio of investments is linked to price risk and managed to produce the income of the company – buying assets in undervalued markets and selling them as the market recognises the hidden value in these assets. When asset are sold there is a temporary credit exposure to the settlement agent but this risk is considered insignificant.

Although the assets held within the portfolio are all held by a single custodian (a subsidiary undertaking of ICAP Plc) the company is exposed to credit risk in so far as it has given its custodian an indemnity for loss suffered as a result of the failure of a subcustodian. As a result the company has a direct credit exposure against the subcustodians used by ICAP Plc. In many emerging markets the legal and regulatory framework is different to that in the UK and as such the assets held with these custodians are not as well protected as they would be in the UK. The company actively monitors these risks and has a framework in place to mitigate the exposure to a single subcustodian.

c) Liquidity risk

All assets held in the portfolio of investments are illiquid. The directors have recognised this fact in the valuation of the portfolio, and valued the underlying assets at the value at which they consider them to be immediately realisable in order to repay the company's indebtedness, which is repayable on demand. Although not drawn, the company has the benefit of a revolving Group borrowing facility of \$10m. At both the balance sheet date and the date of approval of these financial statements there were no borrowings under this facility. Although all indebtedness is repayable on demand the existence of this facility means that the directors consider the funding available to the business to be sufficient for its needs.

d) Fair value

As at 31 March 2008 there were no significant differences between book values and fair values of financial assets and liabilities.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arms length transaction taking into account the discount that would need to be made to affect the sale of illiquid assets at short notice. The fair values of financial instruments are determined as per the company's accounting policies.

EXOTIX INVESTMENTS LIMITED

Notes to the financial statements for the year ended 31 March 2008

3. REVENUE

The company derived all its income from its principal activity. Revenue can be split further as follows:

	<u>Year ended</u> <u>31 March 2008</u> £'000	<u>Year ended</u> <u>31 March 2007</u> £'000
(Losses)/gains from investments held at fair value through profit and loss	(56)	320
Foreign exchange gains/(losses)	812	(324)
Profit on disposal of investments	846	819
	<u>1,602</u>	<u>815</u>

4. ADMINISTRATIVE EXPENSES

A management charge of £239,000 (2007: £609,000) has been made by Exotix Limited, a fellow subsidiary undertaking.

The company's administrative expenses, including the auditors' remuneration in the UK of £5,000 (2007: £5,000), have been borne by other group undertakings.

5. STAFF COSTS

	<u>Year ended</u> <u>31 March 2008</u> £'000	<u>Year ended</u> <u>31 March 2007</u> £'000
Employee costs:		
Wages and salaries	-	380
Social security costs	-	47
Other pension costs	-	5
	<u>-</u>	<u>432</u>

The staff of Exotix Investments Limited and their associated costs transferred to Exotix Limited.

The average number of persons employed by the company during the period was nil (2007: 4).

6. DIRECTORS' REMUNERATION

P J Bartlett, D Gelber, M Wreford & A Chappell receive no emoluments for their services to the company.

7. OTHER OPERATING EXPENSES

This represents exchange differences arising on transactions in foreign currencies during the year and on the translation at the balance sheet date of assets and liabilities denominated in foreign currencies.

EXOTIX INVESTMENTS LIMITED

Notes to the financial statements for the year ended 31 March 2008

8. FINANCE INCOME

	<u>Year ended</u> <u>31 March 2008</u> £'000	<u>Year ended</u> <u>31 March 2007</u> £'000
Bank deposits	<u>6</u>	<u>-</u>

9. FINANCE COSTS

	<u>Year ended</u> <u>31 March 2008</u> £'000	<u>Year ended</u> <u>31 March 2007</u> £'000
Fair value losses – derivative financial instruments	<u>-</u>	<u>5</u>

10. TAXATION

	<u>Year ended</u> <u>31 March 2008</u> £'000	<u>Year ended</u> <u>31 March 2007</u> £'000
a) Analysis of charge for the year		
Current taxation:		
UK corporation tax	<u>411</u>	<u>62</u>
b) Factors affecting the taxation charge for the year		
Profit before taxation	<u>1,369</u>	<u>200</u>
Profit before taxation multiplied by standard rate of corporation tax in the UK of 30% (2007: 30%)	411	60
Effects of:		
Expenses not deductible for tax purposes (primarily client entertainment)	-	2
Tax charge for year	<u>411</u>	<u>62</u>

11. TRADE AND OTHER RECEIVABLES

	<u>As at</u> <u>31 March 2008</u> £'000	<u>As at</u> <u>31 March 2007</u> £'000
Trade debtors	157	-
Sundry debtors	-	246
	<u>157</u>	<u>246</u>

EXOTIX INVESTMENTS LIMITED

Notes to the financial statements for the year ended 31 March 2008

12. DERIVATIVE FINANCIAL INSTRUMENTS

	<u>As at</u> <u>31 March 2008</u> £'000	<u>As at</u> <u>31 March 2007</u> £'000
Foreign exchange put option	-	3

Foreign exchange options are used by the company to mitigate foreign exchange risk on United States Dollar revenue streams. The company, with its fellow subsidiary undertaking Exotix Limited, had an option to sell (put) US\$ nil, (2007: US\$3,000,000) which expired on 18 December 2007.

13. HELD-FOR-TRADING INVESTMENTS

	<u>As at</u> <u>31 March 2008</u> £'000	<u>As at</u> <u>31 March 2007</u> £'000
Listed securities:		
Securities listed on overseas exchanges	4,964	1,430
Unlisted securities	6,012	1,973
	<u>10,976</u>	<u>3,403</u>

14. TRADE AND OTHER PAYABLES

	<u>As at</u> <u>31 March 2008</u> £'000	<u>As at</u> <u>31 March 2007</u> £'000
Amounts owed to related undertakings	4,934	-
Amounts owed to fellow subsidiary undertakings	2,848	1,345
	<u>7,782</u>	<u>1,345</u>

The amounts owed to related undertakings is due to ICAP Management Services Limited, a former fellow subsidiary undertaking. This balance is subject to a nesting agreement and can be offset against a balance of £4,603,000 owed by ICAP Management Services Limited to a fellow subsidiary, Exotix Limited.

15. CALLED UP SHARE CAPITAL

	<u>As at</u> <u>31 March 2008</u> £'000	<u>As at</u> <u>31 March 2007</u> £'000
Authorised, allotted and fully paid: 1,000,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

EXOTIX INVESTMENTS LIMITED

Notes to the financial statements for the year ended 31 March 2008

16. RELATED PARTY TRANSACTIONS

Control

The company is controlled by its parent company, Exotix Holdings Limited (incorporated in United Kingdom), which owns 100% of the company's shares. Consolidated financial statements incorporating the company will be prepared by Exotix Holdings Limited for the period ended 31 March 2008 and will be available from their registered office.

Related party transactions

The company clears its trades through a former fellow subsidiary undertaking of ICAP plc which also acts as custodian to securities.

The company has an agreement to share costs from its proprietary trading activity with a fellow subsidiary undertaking, Exotix Limited. During the year £239,000 (2007: £609,000) were recharged by Exotix Limited. £2,848,000 (2007: £nil) remains outstanding at the year end.