Company Registration Number 5616586

INTL FCSTONE LTD

Report and Financial Statements

30 September 2013

INTL FCSTONE LTD

REPORT AND FINANCIAL STATEMENTS
30 September 2013

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INTL FCSTONE LTD

REPORT AND FINANCIAL STATEMENTS 2013

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

S R Bailey
S J Branch
P A Smith
M J Wilde
L J McNeile

SECRETARY

Catherine O Odigie

REGISTERED OFFICE

1st Floor Moor House
120 London Wall
London
EC2Y 5ET

AUDITORS

KPMG Audit Plc
15 Canada Square
Canary Wharf
London
E14 5GL

Company Registration Number 5616586

The directors present their report and the financial statements of the Group and the Company for the year ended 30 September 2013, with comparatives for year ended 30 September 2012

Results and dividends

The loss for the year, after taxation, amounted to $512,097 (30 September 2012 profit $792,082) The directors have not recommended a final dividend (2012 nil)

Disclosure of Information to Auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Group and Company's auditors are unaware, and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Group and Company's auditors are aware of that information

Our auditor, KPMG Audit Plc has instigated an orderly wind down of its business The board has decided to put KPMG LLP forward to be appointed as auditor for 2014 and a resolution concerning their appointment will be put to the forthcoming annual general meeting of the Company

Increase in Capital

During the year the Company progressively increased its issued share capital in line with expanded trading activities and in order to acquire a fellow subsidiary INTL Global Currencies Ltd 8,000,000 $1 shares were issued on 12 October 2012 for cash consideration, 6,732,000 $1 shares were issued on 26 February 2013 for cash consideration, 27,000,000 on 02 September 2013 for consideration of the shares in INTL Global Currencies Ltd on the same day, and an additional 3,000,000 on 27 September 2013 for cash consideration

Post balance sheet events

From 1 November 2013 all the business undertakings, employees, and assets of an Irish affiliate were transferred to the Company, this has strengthened its advisory services in energy and soft commodities hedging The consideration paid was the net asset value of the assets transferred which have a minimal value

Going Concern

The Directors have noted the reduced level of trading losses from 2012 to 2013 and together with projections and in view of the increased capital of the Company, have confidence that it has adequate resources to continue in operational existence for the foreseeable future Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts

Insurance

The Company has directors' and officers' liability insurance and it is intended to maintain such cover for the full term of their employment

Financial instruments

Information regarding the financial risk management objectives and policies are set out within the strategic report

Pillar 3 disclosures

Details of the Company's unaudited Pillar 3 disclosures, required under Chapter 11 of the Financial Services Authority's Prudential Sourcebook for Banks, Building Societies and Investment Firms ("BIPRU"), may be found in INTL FCSTONE Inc website www intlfcstone com

INTL FCSTONE LTD

DIRECTORS' REPORT
30 September 2013

Directors

The directors who served the Company during the year were as follows

S R Bailey
S J Branch
P A Smith
M J Wilde (Appointed 24 September 2013)
L J McNeile

No director had any beneficial interests in the share capital of the Company

By order of the Board

P A Smith
Director

19 December 2013

The directors present the Strategic report of the Company for year ended 30 September 2013 in accordance with Companies Act 2006, section 414C

The purpose of this report is to inform relevant stakeholders in the Company as to how the directors have performed their fiduciary duty under section 172 of Companies Act 2006

Business model and Strategy

INTL FCStone Ltd is now established as the main international operating entity within the INTL FCStone Group and was established to pursue the Group's strategy of offering regulated products and services to customers in the European, Middle Eastern, and African time zones from London

The Company is a category 1 member of the London Metal Exchange (LME), and a member of LIFFE NYSE Exchange and focuses on providing hedging services for customers in base metals and soft commodities as well as foreign exchange prime brokerage services to a variety of client types It is authorised and regulated by the Financial Conduct Authority

It is the Group's strategic intention to merge its various entities into a small number of larger and well capitalised companies On 2 September 2013, the Company acquired a UK affiliate, INTL Global Currencies Ltd as a preliminary step towards a full merger of its assets and undertakings in the coming financial year This will extend the Company's product offering to include the provision of pricing and execution services in over 140 currencies with delivery to more than 180 countries From 1 November 2013 all the business undertakings, employees, and assets of an Irish affiliate were transferred to the Company, this has strengthened its advisory services in energy and soft commodities hedging

In line with Group strategy, the Company's business involves offering risk management services to its clients This includes making market in certain financial instruments but not taking directional risk

Business review

Following the acquisition of the LME team from MF Global in December 2011 the Company incurred substantial operating costs during the period while customers were recruited and systems developed Trading revenue increased by 70% as the business became firmly established INTL Global Currencies Ltd was acquired on 2 September 2013 and so these accounts reflect one month's profits of that business

Future developments

During the coming year the Company will complete its merger with INTL Global Currencies Ltd and also absorb the Group's precious metals activities (which are currently conducted in other Group companies) This will bring together in a single entity a broad range of products and services in metals, soft commodities global payments and foreign exchange prime brokerage

Key Performance Indicators (KPIs)

The Board of the ultimate parent sets the overall strategy and monitors progress Subsequent to the start-up phase, the Group measures entity performance on the basis of return on equity Individual segments across the Group are monitored holistically where those segments are managed in concert During 2013, the Company was not subject to specific targets

At a Company level, internal reporting and accounting is performed by management, with each segment assessed for profitability by reference to absolute targets, specifically by reference to capital employed, including such capital as may be required in the form of liquidity required to manage market movements

Risk Management

The risk governance framework, which the Company operates, reflects an integrated risk framework established by the Group Overall risk strategy and policy is reported to and reviewed by the Group, including limit frameworks and their controls The Company develops its risk strategy and policy within the context of the Group's framework and conducts its own day to day risk control and management

Risk (both business and financial) is inherent in the Company's business and activities which the Company continuously manages to ensure not only that the risk exposure does not outweigh the value of any initiative that the Company may pursue but that the level of risk enables the Company to achieve the desired profitability

In general the principle risks faced by the Company are

- Credit Risk
- Market Risk
- Liquidity Risk
- Operational Risk
- Capital Management and Regulatory Risk
- Reputational Risk
- Conduct Risk

Credit risk is managed by setting authorised trading limits on all counterparties and constant monitoring of client positions to ensure adherence to those limits

Position and other market risk limits are imposed on all trading teams where there is market making These are monitored daily

With regard to liquidity risk the Company is subject to the FCA's liquidity management regime ("ILAS") and also has developed firm-specific daily stressed cash flow projections and alerts, with associated contingency plans

Within the area of Operational Risk, in conducting its Internal Capital Adequacy Process the Company's management identified regulatory risk as potentially the most significant that it faces in the early months of 2014 as regulations are implemented by various agencies These risks had already been identified early in the financial year under review and the necessary recruitment of staff and systems developments have gone according to plan

Reputational and conduct risks largely overlap and during the year the Company has strengthened its compliance function and personnel numbers and has the required trade monitoring systems

By order of the Board

P A Smith
Director

19 December 2013

STATEMENT OF DIRECTOR'S RESPONSIBILITIES
30 September 2013

Director's Responsibilities

The directors are responsible for preparing the Directors' Report, Strategic 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 they have elected to prepare the Group and parent Company financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

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 Group and parent Company and of their profit or loss for that period In preparing each of the Group and parent Company 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 applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the parent Company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the parent Company and enable them to ensure that its financial statements comply with the Companies Act 2006 They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS

We have audited the financial statements of INTL FCStone Ltd for the year ended 30 September 2013 set out on pages 8 to 24 The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK 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 explained more fully in the Directors' Responsibilities Statement set out on page 6, 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 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 Financial Reporting Council's website at www frc org uk/auditscopeukprivate

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 30 September 2013 and of the Group's loss for the year then ended,
- have been properly prepared in accordance with UK 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 Strategic Report and 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 by the parent Company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent Company 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

Greg Simpson (Senior Statutory Auditor)
for and on behalf of KPMG Audit Plc, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL
19 December 2013

INTL FCSTONE LTD

CONSOLIDATED PROFIT AND LOSS ACCOUNT
Year ended 30 September 2013

	Note	2013		2012	
		$	$	$	$
TRADING PROFIT	5		34,925,403		20,589,465
Continuing Operations		28,501,806		20,589,465	
Acquisitions	15	6,423,597		-	
Administrative expenses			(35,270,114)		(27,600,858)
OPERATING (LOSS)	6		(344,711)		(7,011,393)
Continuing Operations		(492,096)		(7,011,393)	
Acquisitions	15	147,385		-	
(Loss)/gain on investments held at fair value	7		(95,125)		8,136,704
(LOSS) / PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			(439,836)		1,125,311
Tax on (loss) / profit on ordinary activities	8		(72,261)		(333,229)
(LOSS) / PROFIT FOR THE FINANCIAL PERIOD			(512,097)		792,082

The notes on pages 12 to 26 form part of these financial statements

INTL FCSTONE LTD

CONSOLIDATED BALANCE SHEET
as at 30 September 2013

	Note	2013		2012	
		$	$	$	$
Fixed assets					
Intangible assets	9		2,243,551		611,200
Tangible assets	10		670,828		610,282
Investments - LME B Shares	11		3,401,121		3,401,121
			6,315,500		4,622,603
Current assets					
Investments	12	-		9,031,936	
Deferred taxation	16	148,351		-	
Debtors	13	124,083,503		62,087,488	
Cash at bank		77,008,848		34,398,477	
		201,240,702		105,517,901	
Creditors: amounts falling due within one year	14	(127,184,009)		(71,889,808)	
Net current assets			74,056,693		33,628,093
Total assets less current liabilities			80,372,193		38,250,696
Provisions for liabilities					
Deferred taxation	16		-		(2,098,406)
			80,372,193		36,152,290
Capital and reserves					
Called up share capital	17		80,000,000		35,268,000
Profit and loss account			372,193		884,290
Shareholders' funds			80,372,193		36,152,290

Company Registration No 5616586

The financial statements were approved by the Board of Directors and authorised for issue on 19 December 2013
and are signed on their behalf by

S R Bailey
Director

The notes on pages 12 to 26 form part of these financial statements

INTL FCSTONE LTD

BALANCE SHEET
as at 30 September 2013

	Note	2013		2012	
		$	$	$	$
Fixed assets					
Intangible assets	9		367,590		611,200
Tangible assets	10		554,348		610,282
Investments - LME B Shares	11		3,401,121		3,401,121
Investment in subsidiaries	15		19,921,952		-
			24,245,001		4,622,603
Current assets					
Investments	12	-		9,031,936	
Deferred Taxation	16	88,599		-	
Debtors	13	98,044,554		62,087,488	
Cash at bank		43,836,140		34,398,477	
		141,969,293		105,517,901	
Creditors: amounts falling due within one year	14	(86,401,729)		(71,889,808)	
Net current assets			55,567,564		33,628,093
Total assets less current liabilities			79,812,575		38,250,696
Provisions for liabilities					
Deferred taxation	16		-		(2,098,406)
			79,812,575		36,152,290
Capital and reserves					
Called up share capital	17		80,000,000		35,268,000
Profit and loss account			(187,425)		884,290
Shareholders' funds			79,812,575		36,152,290

Company Registration No 5616586

The financial statements were approved by the Board of Directors and authorised for issue on 19 December 2013 and are signed on their behalf by

S R Bailey
Director

The notes on pages 12 to 26 form part of these financial statements

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES, RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS
Year ended 30 September 2013

Consolidated Statement of total recognised gain and loss

	2013	2012
	$	$
(Loss)/Profit for the year	(512,097)	792,082
Total recognised gain for the year	(512,097)	792,082

Consolidated Reconciliation of movements in shareholders' funds

	2013	2012
	$	$
(Loss)/Profit for the financial year	(512,097)	792,082
Share capital issued in the year (Note 17)	44,732,000	19,000,000
Net increase to shareholders' funds	44,219,903	19,792,082
Opening shareholders' funds	36,152,290	16,360,208
Closing shareholders' funds	80,372,193	36,152,290

Company Statement of total recognised gain and loss

	2013	2012
	$	$
(Loss)/Profit for the year	(1,071,715)	792,082
Total recognised (loss)/gain for the year	(1,071,715)	792,082

Company Reconciliation of movements in shareholders' funds

	2013	2012
	$	$
(Loss)/Profit for the financial period	(1,071,715)	792,082
Share capital issued in the year (Note 17)	44,732,000	19,000,000
Net increase to shareholders' funds	43,660,285	19,792,082
Opening shareholders' funds	36,152,290	16,360,208
Closing shareholders' funds	79,812,575	36,152,290

The notes on pages 12 to 26 form part of these financial statements

1. Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost accounting rules modified to include the effect of fair value accounting for certain financial instruments as allowed by the Companies Act 2006 The financial statements have been prepared in accordance with the UK Generally Accepted Accounting Practice and the Companies Act 2006

In the opinion of the directors, the presentation of turnover cost of sales and gross profit envisaged by the Companies Act 2006 is not applicable to brokerage companies The appropriate presentation therefore is for the profit and loss account to begin with "trading profit" which comprise all income and an expense related to the Company's trading activities

Going Concern

The Directors have noted the reduced level of trading losses from 2012 to 2013 and together with projections and in view of the increased capital of the Company, have confidence that it has adequate resources to continue in operational existence for the foreseeable future Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and all its subsidiaries drawn up to 30 September 2013 The acquisition method of accounting has been adopted Under this method, the results of subsidiary undertakings acquired or disposed of in the year are included in the consolidated profit and loss account from the date of acquisition or up to the date of disposal

Under section 408 of the Companies Act 2006, the Company is making use of the exemption not to present its own profit and loss account

The consolidated financial statements of the Group comprise the financial statements of INTL Global Currencies Ltd and the entities the Company controls Control exists where the Company has the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities Controlled entities are consolidated from the date on which control is transferred to the Company and they are deconsolidated from the date the control ceases All intra-Group balances, transactions, income and expenses and profits and losses resulting from intra-Group transactions are eliminated in full upon consolidation

Cash flow statement

The Company has taken advantage of the exemption from the requirement of Financial Reporting Standard No 1 Cash Flow Statements to prepare a cash flow statement as during the period as it was a wholly owned subsidiary undertaking of INTL FCStone Inc whose consolidated financial statements include those of the Company and are publicly available

Trading profit

Trading profit represents commissions receivable (after deduction of brokerage and similar charges), fee income from issuing contracts, net interest receivable on trading balances and realised and unrealised profits and losses on proprietary trading and customer trading, (after deduction of the costs of trading, such as brokerage etc)

Accounting policies - *continued*

Intangible fixed assets and amortisation
Intangible fixed assets purchased separately from a business are capitalised at their cost
Intangible assets acquired as part of an acquisition are capitalised at their fair value where this can be measured reliably

Customer files and software purchased by the Company are amortised to nil by equal annual instalments over their useful economic lives as follows

Customer Files	3 years straight line
Software at Cost	5 years straight line (subsequent enhancements attract accelerated amortisation rates to the same assumed expected useful life)

Software is assumed to have a product life of 5 years before a major revision is required The customer name list and files acquired from the administrators of the MF Global London Metal Exchange team is amortised over the period over which clients are expected to be recruited by reference to them

Tangible fixed assets and depreciation

Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows

Computer Equipment	3 years straight line
Leasehold improvements and equipment	3-7 years straight line

Impairment of assets

The carrying amounts of the Group's assets are reviewed for impairment when events or changes in circumstances indicate that the carrying amount of the fixed asset may not be recoverable If any such indication exists, the asset's recoverable amount is estimated
An impairment loss is recognised whenever the carrying amount of an asset or its income-generating unit exceeds its recoverable amount Impairment losses are recognised in the profit and loss account unless it arises on a previously re-valued fixed asset An impairment loss on a re-valued fixed asset is recognised in the profit and loss account if it is caused by a clear consumption of economic benefits Otherwise impairments are recognised in the statement of total recognised gains and losses until the carrying amount reaches the asset's depreciated historic cost

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred

Current tax is measured as amounts expected to be paid using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date

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 have occurred at that date that are expected to result in an obligation to pay more, or a right to pay less or to receive more tax
Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted
Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance

Accounting policies - *continued*

Foreign currencies

The financial statements are presented in US Dollar, which is the Company's functional and presentation currency Transactions in foreign currencies are initially recorded at the rate of exchange ruling at the date of the transaction Monetary assets and liabilities denominated in foreign currencies are retranslated into the functional currency at the rate of exchange ruling at the balance sheet date Non-monetary assets and liabilities are translated into US Dollar at the effective historical rate used on the date of initial recognition All differences are taken to the income statement

Pension costs

Contributions to the Company's defined contribution scheme are charged to the profit and loss account in the period in which they become payable

Financial instruments

The Company has taken advantage of the FRS 29 Financial Instrument exemption not to disclose information on financial instruments as this information is included in the consolidated financial information of the ultimate parent Company INTL FCStone Inc

Financial instruments that have been acquired principally for the purpose of selling in the near term, or form part of a portfolio of financial instruments that are managed together and for which there is evidence of short term profit taking are classified as "held for trading" Financial instruments classified as held for trading are initially recognised at fair value on trade date and subsequently re-measured at fair value Gains and losses from changes in fair value are reported in the profit and loss account

The Group classes all its trading assets, Interest Rate Swaps, forwards, options and trading liabilities held for trading being at fair value through profit or loss Fair values are determined by reference to prices on a reliable market applicable to the instrument concerned In the case of unlisted investments the Directors assess the market value by reference to the underlying net assets of the instrument and to all other available factors

Financial assets can be divided into the following categories

- loans and receivables
- available-for sale
- financial assets at fair value through profit and loss

Financial assets are assigned to the different categories on initial recognition depending on the characteristics of the instrument and its purpose A financial instrument's category is relevant for the way it is measured and whether resulting income and expenses are recognised in the income statement or recognised in equity

The Group classes both its trading assets and liabilities as assets or liabilities at fair value through profit or loss

Trading assets and liabilities include

- amounts presently due for settlement under commodity contracts
- unrealised gains and losses arising from the valuation of forward positions
- forward commissions receivable or payable
- cash margin received or paid

The majority of these instruments are short term, and due for settlement within three months

An assessment of whether a financial asset is impaired is made at least at each reporting date

Accounting policies - *continued*

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market The Company's trade and other receivables fall into this category of financial asset and are valued at cost less provision for impairment Individual receivables are considered for impairment when they are overdue or when there is objective evidence that the debtor will default

Investments

In the Company's financial statements, investments in subsidiary undertakings are stated at cost less amounts written off

Available-for-sale

Non-derivative financial assets not included in the above categories are classified as available-for-sale and comprise the Company's investments in trading exchanges They are carried at fair value with changes in fair value (including foreign exchange gains and losses) recognised directly in equity Where a decline in the fair value of an available-for-sale financial asset constitutes objective evidence of impairment, the amount of the loss is removed from equity and recognised in the income statement Fair values of quoted investments are based on current bid prices If the market for a financial asset is not active (and for unlisted securities), the Company establishes fair value by using alternative valuation methods

LME B Shares are treated as available for sale investment under UK GAAP, but in fact are required to be held as long as the Company trades on the exchange, and therefore shown under non-current assets on the balance sheet

The Company owns 25,000 "B" Shares of £82 50 each in LME Holdings Limited as required to become a category 1- ring dealing member of the London Metal Exchange (LME)

Financial assets at fair value through profit and loss

Financial assets at fair value through profit and loss comprise unsettled trades and the Company's LME "A" Shares and 2,500 "B" shares in LME Holdings Limited which are surplus to trading requirements shown on the balance sheet under current asset investments These financial assets are initially recognised at fair value and subsequently measured at fair value with gain or loss taken to profit and loss

The Company's financial liabilities comprising trade and other payables are classified as other financial liabilities

Client Money

The Company holds money on behalf of some clients in accordance with the client money rules of the Financial Conduct Authority Such monies and the corresponding amounts due to clients are not shown on the face of the balance sheet as the Company is not beneficially entitled thereto

2. Segment Reporting

Trading profit represents commissions receivable (after deduction of brokerage and similar charges), fee income from issuing contracts, net interest receivable on trading balances and realised and unrealised profits and losses on proprietary trading and customer trading, after deduction of the costs of trading, excluding value added tax

INTL FCStone Ltd focuses on the following two core businesses

(a) **Trading in Currencies** – encompassing all activities undertaken by INTL Global Currencies Ltd which was acquired on 2 September 2013
(b) **Clearing and Client Hedging Services** - encompassing all activities undertaken by INTL FCStone Ltd This includes the soft commodities business (acquired from an affiliate on 1 October 2012) and metals business transacted through the London Metals Exchange

An analysis is given below

	Trading in Currencies		Clearing and Client Hedging Services		Group Total	
	2013	2012	2013	2012	2013	2012
Trading profit	3,390,719	-	31,534,684	20,589,465	34,925,403	20,589,465
Operating profit/ (Loss)	942,200	-	(1,286,911)	(7,011,393)	(344,711)	(7,011,393)
(Loss) /profit on ordinary activities before taxation	942,200	-	(1,382,036)	1,125,311	(439,836)	1,125,311
Segment net assets /(Liabilities)	20,481,571	-	59,890,622	36,152,290	80,372,193	36,152,290

3 Particulars of Employees

	2013	2012
	$	$
Staff costs including directors consist of		
Wages and salaries	15,831,425	14,010,319
Social security costs	1,945,018	1,765,281
Pension contributions to money purchase pension schemes	577,894	444,841
	18,354,337	16,220,441

Particulars of Employees continued

The average number of employees of the Company including directors during the year analysed by category was as follow

	2013	2012
Traders	56	44
Operations	25	14
Administration	21	14
	102	72

During 2012, the London Metal Exchange teams in London, New York and Far East of MF Global were recruited by INTL FCStone Ltd

4. **Directors Emoluments**

	2013	2012
	$	$
Directors' remuneration consists of		
Emoluments for services as directors of INTL FCStone Ltd	229,871	227,575
Pension contributions to money purchase pension schemes	0	22,757
	229,871	250,332
Emoluments of highest paid director		
Emoluments	133,567	123,578

During the year none of the directors participated in money market pension schemes (2012 two)

5 **Trading profit**

Trading profit is wholly attributable to the principal activity of the Company and arises solely from activities within the United Kingdom

	2013	2012
	$	$
Trading and market making profits	25,254,258	17,822,900
Commission and fee income	8,011,055	1,847,261
Revenues charged to affiliates	926,210	167,456
Costs recharged to affiliates	721,305	739,616
	34,912,828	20,577,233
Net interest comprises		
Interest receivable	12,575	12,232
	34,925,403	20,589,465

6 Operating loss

	2013	2012
	$	$
Operating loss is stated after charging		
Depreciation and amortisation	560,177	425,847
Intangible assets written down	-	500,000
Amounts receivable by the auditors in respect of		
- audit of the financial statements	105,263	98,514
- audit of financial statements of subsidiaries	62,348	-
- other services pursuant to legislation	38,866	22,610

7. Gain on investments held at fair value

During the year the sale of the London Metal Exchange to the Hong Kong Exchanges and Clearing was completed The Company received the cash settlement for the 50,000 'A' shares in the LME Holdings Ltd and the gain on those shares was recognised in September 2012

The Company also sold the 2,500 'B' Shares in London Metal Exchange to the Hong Kong Exchange and Clearing during the year and the loss was recognised in the year

8 Taxation on ordinary activities

	2013	2012
	$	$
Analysis of charge in the year		
Current tax		
In respect of the year		
UK corporation tax based on the results for the year		
at 23 5% (2012 – 25%)	2,105,999	(1,747,272)
Adjustment to prior years	152,362	163,073
Total current tax	2,258,651	(1,584,199)
Deferred tax		
Origination and reversal of timing differences	(2,157,525)	2,004,862
Adjustment for change in corporation tax rate	(28,865)	(87,434)
Total deferred tax (note 16)	(2,186,390)	1,917,428
Tax on (loss)/profit on ordinary activities	72,261	333,229

Taxation on ordinary activities continued

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 23 5% (2012 – 25%) The difference is explained below

	2013	2012
	$	$
(Loss)/profit on ordinary activities before taxation	(439,836)	1,125,311
	(439,836)	1,125,311
(Loss)/profit on ordinary activities by rate of tax		
Composite rate 23 5% (2012 – 25%)	(103,361)	281,328
Reconciling Items		
Tax effect of timing differences	2,111,893	(2,074,531)
Expenses not deductible for tax purposes	71,504	42,760
Relief for share incentives provided by the parent Group	(4,876)	-
Effect of applying average exchange rate for UK tax	5,335	(33,598)
Adjustments to tax charge in respect of previous periods	152,362	163,073
Depreciation for year in excess of capital allowances	25,794	36,769
Total current tax	2,258,651	(1,584,199)

9. Intangible Assets - Group

	Customer Files	Software	Total Intangible
	$	$	$
Cost			
As at 1 Oct 2012	1,000,000	363,747	1,363,747
Additions	-	60,827	60,827
Assets acquired through business combination		2,248,124	2,248,124
Carried forward	1,000,000	2,672,698	3,672,698
Amortisation			
As at 1 Oct 2012	638,889	113,658	752,547
Assets acquired through business combination	-	314,029	314,029
Charge for the year	166,667	195,904	362,571
Carried forward	805,556	623,591	1,429,147
Net book value			
At 30 Sep 2013	194,444	2,049,107	2,243,551
At 30 Sep 2012	361,111	250,089	611,200

9 Intangible Assets – Company

	Customer Files	Software	Total Intangible
	$	$	$
Cost			
As at 1 Oct 2012	1,000,000	363,747	1,363,747
Additions	-	31,947	31,947
Carried forward	1,000,000	395,694	1,395,694
Amortisation			
As at 1 Oct 2012	638,889	113,658	752,547
Charge for the year	166,667	108,890	275,557
Carried forward	805,556	222,548	1,028,104
Net book value			
At 30 Sep 2013	194,444	173,146	367,590
At 30 Sep 2012	361,111	250,089	611,200

Negotiations with the UK administrators of the MF Global Group were initiated in November 2012, with the Company expressing an interest in the customer name list with associated files and some systems This concluded with the Company paying $1,000,000 to the administrators, however, it was not practicable to use the systems on offer A value of $500,000 was placed on the customer list and files which is being amortised over 36 months with the remainder being written down by $500,000 Previous MFGlobal customers continue to be recruited and while the main impetus for this is the team itself the information held on the files is considered to be useful in negotiations and the formal on-boarding process

10 Tangible assets - Group

	Fixtures and Fittings	Computer Equipment	Leasehold improvements & equipment	Total Tangible Asset
	$	$	$	$
Cost				
As at 1 Oct 2012	30,038	753,544	-	783,582
Additions	6,718	106,032	130,634	243,384
Assets acquired through business combination	-	-	139,793	139,793
Disposal	-	(13,035)	-	(13,035)
Carried forward	36,756	846,541	270,427	1,153,724
Depreciation				
As at 1 Oct 2012	8,344	164,956	-	173,300
Assets acquired through business combination	-	-	71,019	71,019
Charge for the year	11,692	208,174	21,247	241,113
Depreciation on disposal	-	(2,536)	-	(2,536)
Carried forward	20,036	370,594	92,266	482,896
Net book value				
At 30 Sep 2013	16,720	475,947	178,161	670,828
At 30 Sep 2012	21,694	588,588	-	610,282

Tangible assets - Company

	Fixtures and Fittings	Computer Equipment	Leasehold improveme nts & equipment	Total Tangible Asset
	$	$	$	$
Cost				
As at 1 Oct 2012	30,038	753,544	-	783,582
Additions	6,718	106,032	82,243	194,993
Disposal	-	(13,035)	-	(13,035)
Carried forward	36,756	846,541	82,243	965,540
Depreciation				
As at 1 Oct 2012	8,344	164,956	-	173,300
Charge for the year	11,692	208,174	20,561	240,427
Depreciation on disposal	-	(2,535)	-	(2,535)
Carried forward	20,036	370,595	20,561	411,192
Net book value				
At 30 Sep 2013	16,720	475,946	61,682	554,348
At 30 Sep 2012	21,694	588,588	-	610,282

11 Investments – LME B Shares

	Group Available for Sale Investments		Company Available for Sale Investments	
	2013	2012	2013	2012
	$	$	$	$
Opening Balance	3,401,121	3,401,121	3,401,121	3,401,121
Additions during the year		-		-
At 30 September	3,401,121	3,401,121	3,401,121	3,401,121

The Company owns 25,000 'B' Shares of £82 50 each in LME Holdings Limited as required to become a category 1 ring dealing and clearing member of the London Metal Exchange (LME)

These LME 'B' Shares are treated as available for sale investment under UK GAAP, but in fact are required to be held as long as the Company trades on the exchange, and therefore shown under non-current assets on the balance sheet

12. Investments carried at fair value through Profit and Loss:

	Group		Company	
	2013	2012	2013	2012
	$	$	$	$
Opening Balance	9,031,936	733,813	9,031,936	733,813
Net gain on FVTPL investments	(74,960)	8,136,704	(74,960)	8,136,704
Disposals	(8,884,628)		(8,884,628)	
Effect of movement of exchange rates	(72,348)	161,419	(72,348)	161,419
	-	9,031,936	-	9,031,936
Net book value				
50,000 LME 'A' Shares valued at the sale price	-	8,688,630	-	8,688,630
2,500 LME 'B' Shares at valuation	-	343,306	-	343,306
	-	9,031,936	-	9,031,936

The Company's unlisted investment represented its shareholding in LME Holdings Limited, the previous owner of the London Metals Exchange Fair value was determined at date of sale with Hong Kong Exchanges and Clearing The 'B' shares are surplus to the Company's requirements and therefore were treated at fair value through profit and loss (FVTPL)

13 Debtors amounts falling due within one year

	Group		Company	
	2013	2012	2013	2012
	$	$	$	$
Trade debtors carried at fair value through profit and loss	55,326,448	19,444,609	27,574,776	19,444,609
Balances at clearing houses Trading balances	47,086,326	33,183,210	47,086,326	33,183,210
Balances at clearing houses Guaranteed deposit	7,646,213	983,527	7,596,213	983,527
Amounts owed by Group undertakings	10,423,691	4,036,501	13,219,034	4,036,501
Other debtors	800,266	1,427,194	184,723	1,427,194
Other taxation and social security	458,392	1,927,327	458,392	1,927,327
Derivatives and financial instruments at fair value	23,325	-	-	-
Prepayments and accrued income	2,318,842	1,085,120	1,925,090	1,085,120
	124,083,503	62,087,488	98,044,554	62,087,488

Trade debtors comprise open contracts net of collateral from clients

14 Creditors· amounts falling due within one year

	Group		Company	
	2013	2012	2013	2012
	$	$	$	$
Trade creditors carried at fair value through profit and loss	102,461,709	68,859,393	77,683,571	68,859,393
Accruals and deferred income	6,445,440	3,030,415	3,369,650	3,030,415
Amounts owed to Group undertakings	16,200,402	-	5,348,508	-
Derivatives and financial instruments at fair value	315,838	-	-	-
Other taxation and social security	1,760,620	-	-	-
	127,184,009	71,889,808	86,401,729	71,889,808

Trade creditors mainly comprise of margin money received from clients

15 Investment in Subsidiary

On 2 September 2013 the Company acquired all of the shares of INTL Global Currencies Limited ("IGC") at net asset value

On 1 October 2012 the Company acquired the business and operations of TRX ("TRX") at net asset value

	TRX	IGC
	Book Value	Book Value
	$	$
Fixed Assets		
Intangible	-	1,934,095
Tangible	-	68,773
Current Assets		
Deferred tax	-	46,219
Debtors	709,861	36,837,475
Cash	7,526	27,139,535
Total Assets	404,217	66,026,097
Creditors	717,387	38,104,146
Total Liabilities	717,387	38,104,146
Net Assets	-	27,921,951
InterCompany Payable	-	921,951
Issued Share Capital	-	27,000,000
Total Consideration	-	27,921,951

INTL Global Currencies Ltd made a profit of $8,541,279 from the beginning of its financial year to the date of acquisition In its previous financial year commencing on 01 October 2011 the profit was £11,783,761

On 30 September 2013, INTL Global Currencies Ltd announced and paid $8,000,000 dividend The Company impaired the carrying value of the investment in subsidiary balance by this amount upon receipt of the cash

TRX made a loss of $1,102,492 in the previous financial year commencing on 01 October 2011

16. Deferred taxation

The movement in the deferred taxation provision during the year was

	Group		Company	
	2013	2012	2013	2012
	$	$	$	$
Provision liability brought forward	2,026,446	180,978	2,026,446	180,978
Profit and loss account movement arising during the year	(2,177,517)	-	(2,177,517)	-
Origination and reversal of temporary differences during the year	77,804	2,004,862	82,651	2,004,862
Business combinations	(46,219)	-	-	
Adjustment for change in corporation tax rate	(28,865)	(87,434)	(20,179)	(87,434)
Provision liability/(asset) carried forward	(148,351)	2,098,406	(88,599)	2,098,406

The provision for deferred taxation consists of the tax effect of timing differences in respect of

	Group		Company	
	2013	2012	2013	2012
	$	$	$	$
Accelerated capital allowances	(148,351)	(14,511)	(88,599)	(14,511)
Gain on investments held at fair value	-	2,112,917	-	2,112,917
	(148,351)	2,098,406	(88,599)	2,098,406

Reductions in the UK corporation tax rate from 26% to 24% (effective from 1 April 2012) and to 23% (effective 1 April 2013) were substantively enacted on 26 March 2012 and 3 July 2012 respectively Further reductions to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013 This will reduce the Company's future current tax charge accordingly The deferred tax asset at 30 September 2013 has been calculated based on the rates of 20% and 21% substantively enacted at the balance sheet date

Deferred taxation is calculated at the tax rates that are expected to apply in the periods the timing differences reverse Most of the above provision movement is attributable to the gain on the LME 'A' Shares realised in December 2012 and assessable in the year to September 2013

17 Share capital

	Allotted, called up and fully paid			
	2013	2012	2013	2012
	Number of shares		$	$
Ordinary shares of $1 each	80,000,000	35,268,000	80,000,000	35,268,000

On 12 October 2012 the Company issued 8,000,000 of $1 each fully paid
On 26 February 2013 the Company issued 6,732,000 shares of $1 each fully paid
On 02 September 2013 the Company issued 27,000,000 shares of $1 each fully paid
On 27 September 2013 the Company issued 3,000,000 shares of $1 each fully paid

18. Segregated balances

The Group and Company also holds the following segregated balances on behalf of clients in accordance with the client money rules of the Financial Services Authority

	Group		Company	
	2013	2012	2013	2012
	$	$	$	$
Cash at bank and in hand	37,952,634	5,555,847	37,952,634	5,555,847
Balances held at brokers	13,911,270	57,957	13,911,270	57,957
Balances at clearing houses	9,609,446	20,798,062	9,609,446	20,798,062

19. Related party transactions

The Company is a wholly owned subsidiary of INTL FCStone Inc And the Group has taken advantage of the exemption conferred by Financial Reporting Standard 8 "Related party disclosures" not to disclose transactions with INTL FCStone Inc or other wholly owned subsidiaries within the Group

There were no other related party transactions

20 Financial instruments

The Group has taken advantage of the disclosures exemption conferred by Financial Reporting Standard No 29 on the grounds that at least 90% of the voting rights in the Company are controlled within the Group headed by INTL FCStone Inc and the Company is included in the publicly available consolidated financial statements which include disclosures that comply with this standard

21 Cash flow statement

The Group has taken advantage of the exemption from the requirement of Financial Reporting Standard No 1 Cash Flow Statements to prepare a cash flow statement as during the period as it was a wholly owned subsidiary undertaking of INTL FCStone Inc whose consolidated financial statements include those of the Company and are publicly available

22. Ultimate parent Company

The Company is controlled by INTL Holding (UK) Limited a Company registered in England and Wales The ultimate controlling party of this Company is INTL FCStone Inc , a Company registered in Delaware, United States INTL FCStone Inc which is considered to be the Company's ultimate controlling party by virtue of its 100% ownership of the ordinary share capital of the Company

The largest Group of undertakings for which consolidated financial statements have been drawn up is headed by INTL FCStone Inc Further information on INTL FC Stone Inc is available at www intlfcstone com The smallest Group in which the results of the Company are consolidated is that headed by INTL Holding (UK) Limited whose consolidated financial statements are lodged at Companies House

23 Post balance sheet subsequent events

From 1 November 2013 all the business undertakings, employees, and assets of an Irish affiliate were transferred to the Company, this has strengthened its advisory services in energy and soft commodities hedging