

Jump Trading International Limited

REPORT AND FINANCIAL STATEMENTS

Year ended 31 December 2011



Company Registration No 05976015

Jump Trading International Limited

DIRECTORS AND ADVISERS

DIRECTORS

Carey Harrold
Matthew Schrecengost
Jonathan Lantz

SECRETARY

Certagent Limited
10 Chiswell Street
London
EC1Y 4UQ

REGISTERED OFFICE

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

FSA NUMBER

464314

AUDITOR

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

Jump Trading International Limited

DIRECTORS' REPORT

The directors submit their report and the financial statements of Jump Trading International Limited for the year ended 31 December 2011

RESULTS FOR THE YEAR AND DIVIDENDS

The profit for the year after taxation was \$8,086,859 (2010: \$5,048,597). Dividends of \$5,000,000 were paid in the year (2010: \$7,875,780), details of which can be found in note 5 to the financial statements.

PRINCIPAL ACTIVITIES

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

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

In its third year of business, the company has made a strong profit from its trading activities, particularly from its Asian trading. The company's income from Asian trading is expected to reduce in the current year, as it looks to develop other areas. The company is expected to continue to trade profitably.

KEY PERFORMANCE INDICATORS

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

PRINCIPAL RISKS AND UNCERTAINTIES

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

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

GOING CONCERN

In light of the profit made in the year and after reviewing forecasts for the period to March 2013, the directors are satisfied that the business continues to be a going concern.

DIRECTORS

The following directors have held office since 1 January 2011:

Carey Harrold
Matthew Schrecengost
Jonathan Lantz

AUDITOR

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

Jump Trading International Limited

DIRECTORS' REPORT

STATEMENT AS TO DISCLOSURE OF INFORMATION TO THE AUDITOR

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

By order of the board



Carey Harrold
Director

Date March 8, 2012

Jump Trading International Limited

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to

- a select suitable accounting policies and then apply them consistently,
- b make judgements and estimates that are reasonable and prudent,
- c prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

We have audited the financial statements on pages 6 to 15. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As more fully explained in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2011 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.

Baker Tilly UK Audit LLP

DAVID CLARK (Senior Statutory Auditor)

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

Chartered Accountants

25 Farringdon Street

London

EC4A 4AB

Date 12 March 2012

Jump Trading International Limited
PROFIT AND LOSS ACCOUNT
for the year ended 31 December 2011

	<i>Notes</i>	2011 \$	2010 \$
TURNOVER	<i>1</i>	15 423,922	8,705,601
Cost of Sales		(4,202 683)	(1,811,741)
GROSS PROFIT		<u>11 221,239</u>	<u>6,893,860</u>
Administrative expenses		(5,002 704)	(1,370,581)
Other income		4,704,498	1,070,150
OPERATING PROFIT	<i>2</i>	<u>10,923,033</u>	<u>6 593 429</u>
Interest receivable		78,471	43,532
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>11,001,504</u>	<u>6,636,961</u>
TAXATION	<i>4</i>	(2,914,645)	(1,588,364)
PROFIT FOR THE FINANCIAL YEAR	<i>11</i>	<u><u>8 086,859</u></u>	<u><u>5,048,597</u></u>

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

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

Jump Trading International Limited

BALANCE SHEET

31 December 2011

Company registration no 05976015

	Notes	2011 \$	2010 \$
FIXED ASSETS			
Tangible Assets	6	1,105,151	353,412
CURRENT ASSETS			
Debtors	7	6,771,031	6,745,245
Cash at bank and in hand		10,618,584	2,479,677
		17 389 615	9,224,922
CREDITORS Amounts falling due within one year	8	(3,273,730)	(1,457,157)
NET CURRENT ASSETS		14 115,885	7,767 765
TOTAL ASSETS LESS CURRENT LIABILITIES		15,221,036	8,121,177
PROVISIONS FOR LIABILITIES	9	(60,210)	(60 210)
NET ASSETS		15 160 826	8,060,967
CAPITAL AND RESERVES			
Called up share capital	10	9,869,026	5,856 026
Profit and loss account	11	5,291,800	2,204 941
SHAREHOLDERS FUNDS	12	15 160,826	8,060 967

The financial statements on pages 6 to 15 were approved by the board of directors and authorised for issue on **8 March 2012** and are signed on its behalf by



Carey Harrold
Director

Date March 8, 2012

Jump Trading International Limited
CASH FLOW STATEMENT
for the year ended 31 December 2011

	<i>Notes</i>	2011 \$	2010 \$
Cash flow from operating activities	<i>13a</i>	13,265,768	5,979,109
Returns on investments and servicing of finance	<i>13b</i>	78,471	43,532
Taxation	<i>13b</i>	(1,725,332)	(3,080,764)
Capital expenditure and financial investment	<i>13b</i>	(1,341,781)	(136,189)
Equity dividends paid		(5,000,000)	(7 875,780)
Issue of new shares		4,013,000	-
INCREASE/(DECREASE) IN CASH AND LIQUID RESOURCES IN THE YEAR	<i>13c</i>	<u>9,290,126</u>	<u>(5,070,092)</u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2011 \$	2010 \$
Increase/(decrease) in cash and liquid resources in the year	9,290,126	(5 070 092)
MOVEMENT IN NET FUNDS IN YEAR	<u>9,290,126</u>	<u>(5,070 092)</u>
NET FUNDS AT 1 JANUARY	<u>7,930,850</u>	<u>13,000,942</u>
NET FUNDS AT 31 DECEMBER	<u>17,220,976</u>	<u>7,930,850</u>

Jump Trading International Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2011

BASIS OF ACCOUNTING

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

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

GOING CONCERN

The directors have prepared forecasts for the business and on the basis of the expected results and given the resources that the company has available to it, the directors believe the company is well placed to manage its business risks successfully

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements

TURNOVER

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

OTHER INCOME

Other income comprises recharges of costs to other group companies

FOREIGN CURRENCIES

Assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the profit and loss account

FINANCIAL INSTRUMENTS

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

TANGIBLE FIXED ASSETS

Tangible fixed assets are held at cost less accumulated depreciation

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

Computer Equipment	- software	3 years
	- hardware	3 years
Leasehold improvements		over the remaining period of the lease

Jump Trading International Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2011

DEFERRED TAXATION

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

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

LIQUID RESOURCES

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

OPERATING LEASES

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

Jump Trading International Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2011

1 TURNOVER

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

An analysis of turnover by geographical market is given below	2011 \$	2010 \$
Europe	3 954 781	1 613,075
Australia	158,535	-
Asia	11,308,550	7 092,526
North America	2,056	
	<u>15,423,922</u>	<u>8,705,601</u>

2 OPERATING PROFIT

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

	2011 \$	2010 \$
Auditor s remuneration	23,205	21,521
Auditor s remuneration for non-audit services - taxation	8,658	8,658
Foreign exchange loss/(gain)	648,095	(256 805)
Depreciation of tangible fixed assets	590,042	83,716
Operating lease rentals – land and buildings	643,603	226 383
	<u>643,603</u>	<u>226 383</u>

3 EMPLOYEES

The average number of employees during the year (including directors) was 10 (2010 7) One director received remuneration in the year (2010 one)

Staff costs (including directors' remuneration) consist of	2011 \$	2010 \$
Wages and salaries	3,352,204	1,881,767
Social Security costs	436 556	221,080
	<u>3,788,760</u>	<u>2,102 847</u>
	2011 \$	2010 \$
Directors' remuneration	<u>330,139</u>	<u>281,404</u>

Jump Trading International Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2011

4	TAXATION	2011 \$	2010 \$
	Current tax		
	UK corporation tax charge on profits of the year	2,914,645	1,840,503
	Adjustments in respect of previous periods	-	(270,000)
	Total current tax	<u>2,914,645</u>	<u>1,570,503</u>
	Deferred tax (note 9)	-	17,861
	Total charge on profit on ordinary activities	<u>2,914,645</u>	<u>1,588,364</u>
		2011 \$	2010 \$
	Factors affecting the corporation tax charge for the year		
	Profit on ordinary activities before tax	11,001,504	6,636,961
	Profit on ordinary activities at the standard rate of corporation tax in the UK 26.5% (2010 28%)	<u>2,915,399</u>	<u>1,858,349</u>
	Effect of		
	Expenses not deductible for tax purposes	4,967	1,067
	Depreciation in excess of capital allowances	47,472	(20,091)
	Other tax adjustments	49,863	-
	Foreign exchange differences	(103,056)	1,178
	Adjustments to tax charge in respect of previous year	-	(270,000)
	Current tax charge for the year	<u>2,914,645</u>	<u>1,570,503</u>

5 DIVIDENDS

During the year dividends of \$5,000,000 (\$0.86 per share in relation to 2011) were declared and fully paid. In 2010 \$3,875,780 (\$1.17 per share in relation to 2009) and \$4,000,000 (\$1.21 per share in relation to 2009) were declared and fully paid.

6	TANGIBLE FIXED ASSETS	Leasehold improvements \$	Computer equipment \$	Total \$
	COST			
	At 1 January 2011	-	455,324	455,324
	Additions	58,763	1,283,019	1,341,781
	At 31 December 2011	<u>58,763</u>	<u>1,738,343</u>	<u>1,797,105</u>
	DEPRECIATION			
	At 1 January 2011	-	101,912	101,912
	Charged in the year	32,646	557,396	590,042
	At 31 December 2011	<u>32,646</u>	<u>659,308</u>	<u>691,954</u>
	NET BOOK VALUE			
	At 31 December 2011	<u>26,117</u>	<u>1,079,034</u>	<u>1,105,151</u>
	At 31 December 2010	<u>-</u>	<u>353,412</u>	<u>353,412</u>

Jump Trading International Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2011

7	DEBTORS Amounts falling due within one year	2011 \$	2010 \$
	Cash held with broker	6 602,392	5,451,173
	Amounts owed by group undertakings	-	1,194,035
	Other debtors	89,042	53,005
	Prepayments	79,597	47,032
		<u>6,771,031</u>	<u>6,745,245</u>
8	CREDITORS Amounts falling due within one year	2011 \$	2010 \$
	Trade creditors	158,220	57,401
	Amounts owed to group undertakings	310,349	-
	Corporation tax	1,988,045	798,732
	Accruals	817,116	601,024
		<u>3,273,730</u>	<u>1,457,157</u>
9	PROVISIONS FOR LIABILITIES	2011 \$	2010 \$
	Deferred tax		
	Capital allowances in excess of depreciation	60,210	60 210
		<u>60,210</u>	<u>42 349</u>
	Provision at start of year	60,210	42 349
	Deferred tax charge in profit and loss account for year	-	17,861
	Provision at end of year	<u>60,210</u>	<u>60,210</u>
10	SHARE CAPITAL	2011 \$	2010 \$
	Authorised 20 000 000 ordinary shares of £1 each	30,940,000	14 593,000
	Allotted, issued and fully paid 5,807,807 ordinary shares of £1 each	9,869,026	5,856,026
	During the year, 2 500,000 £1 ordinary shares were issued at par		
11	PROFIT AND LOSS ACCOUNT	2011 \$	2010 \$
	At 1 January 2011	2,204,941	5 032,124
	Profit for the financial year	8,086,859	5 048,597
	Dividends	(5,000,000)	(7,875,780)
	At 31 December 2011	<u>5,291,800</u>	<u>2,204,941</u>

Jump Trading International Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2011

12	RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS	2011 \$	2010 \$
	Profit for the financial year	8,086,859	5,048,597
	Dividends	(5,000,000)	(7,875,780)
	Issue of new shares	4,013,000	-
	Net addition to/(reduction in) shareholders' funds	7,099,859	(2,827,183)
	Opening shareholders' funds	8,060,967	10,888,150
	Closing shareholders' funds	15,160,826	8,060,967
13	NOTES TO THE CASHFLOW STATEMENT	2011 \$	2010 \$
a	RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES		
	Operating profit	10,923,033	6,593,429
	Depreciation	590,042	83,716
	Decrease/(increase in debtors (not including cash at broker)	1,125,433	(1,199,479)
	Increase in creditors	627,260	501,443
	Net cash inflow from operating activities	13,265,768	5,979,109
b	ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT		
	Returns on investments and servicing of finance		
	Interest received	78,471	43,532
	Net cash inflow from returns on investments and servicing of finance	78,471	43,532
	Corporation tax paid	(1,725,332)	(3,080,764)
	Taxation	(1,725,332)	(3,080,764)
	Capital expenditure and financial investment		
	Purchase of tangible fixed assets	(1,341,781)	(136,189)
	Net cash outflow from capital expenditure and financial investment	(1,341,781)	(136,189)
c	ANALYSIS OF NET FUNDS	At 1 January 2011 \$	At 31 December 2011 \$
	Cash at bank and in hand	2,479,677	8,138,907
	Cash at broker	5,451,173	1,151,219
	Total	7,930,850	9,290,126
			10,618,584
			6,602,392
			17,220,976

Jump Trading International Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2011

14 COMMITMENTS UNDER OPERATING LEASES

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

	2011	2010
	\$	\$
Land and buildings		
Expiring within 1 year	366,795	207,889

15 RELATED PARTY TRANSACTIONS

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

16 ULTIMATE CONTROLLING PARTY

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