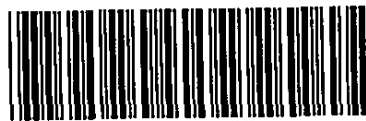


COMPANY REGISTRATION NUMBER 06005750

SPIRE EUROPE LIMITED
FINANCIAL STATEMENTS
31 DECEMBER 2012

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SPIRE EUROPE LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2012

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SPIRE EUROPE LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2012

COMPANY INFORMATION

Board of directors

J Patel
M Gorton
N Underwood
T Toller

Company secretary

N Underwood

Registered office

40 Queen Street
London
EC4R 1DD

Details of auditors

KPMG LLP
15 Canada Square
London
E14 5GL

THE DIRECTORS' REPORT

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 December 2012

PRINCIPAL ACTIVITIES AND BUSINESS OVERVIEW

The principal activity of the company during the year was engaging in a proprietary trading business in the UK dealing in equities, commodities, futures, options and foreign exchange. Spire Europe Limited ("Spire" and "Company") was authorised and regulated by the Financial Services Authority (FSA) until 31st March 2013. Spire was and continues to be authorised and regulated by the Financial Conduct Authority (FCA) since 1st April 2013.

The directors consider profitability to be the sole performance indicator communicating the financial performance and strength of the company. The directors' focus is to encourage further trading development as the company enters new markets as well as further trading growth in the markets that were already established.

The company is a wholly owned subsidiary of Spire Holding Company Limited and the ultimate parent company, Tower Research Capital Investments LLC, actively monitors the business performance on an ongoing basis. However, the company's directors believe that analysis using key performance indicators is not necessary to understand the business' development, performance or position.

Spire received approval from the United Kingdom's Financial Services Authority on 17 December 2010 to establish a branch in France. This branch was officially closed on 30 June 2012. A notification was filed with the FSA to document this event.

PRINCIPAL RISKS AND UNCERTAINTIES

The nature of Spire's business requires a dependence on the knowledge of its traders to deliver the business strategy. The departure of certain key trading staff could potentially have a significant impact on revenues. Management has placed a strong emphasis on building a cohesive team and also has other measures in place to enable it to continue to retain the personnel required to meet its business objectives.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £23,722,766. Particulars of dividends paid are detailed in note 8 to the financial statements.

The company made three dividend payments during the year, totaling in £39.5 million.

POLITICAL AND CHARITABLE CONTRIBUTIONS

Spire made no political or charitable donations or incurred any political expenditure during the year.

THE DIRECTORS' REPORT *(continued)*

FINANCIAL RISKS MANAGEMENT OBJECTIVES AND POLICIES

The objective of financial risk management is to plan, organize and perform sufficient actions to provide reasonable assurance that the company's overall objectives and goals will be met, and to limit the risk of adverse events occurring to a level that is acceptable to the board

The company identifies and manages its key financial risks by means of a risk management policy that is appropriate to its size while preserving its effectiveness.

The main risks from the company's holding and management perspectives are set forth below

Exposure to foreign currency risk

The company has exposure to price risk to the extent that balances are maintained in foreign currencies where required for the proper operation of the business. Any foreign exchange risk arising out of this is monitored by senior management and regulatory capital is maintained to cover the assessed risk of adverse changes in exchange rates

Exposure to credit risk

The company maintains an exposure in connection with funds held on current and deposit accounts with its bankers and other financial institutions. The board regularly monitors these exposures and maintains an adequate spread of capital to guard against any potential default.

Liquidity and cash flow risk

To reduce liquidity risk and cash flow risk the board aims to ensure that a substantial portion of the company's assets consist of cash instruments and readily available securities.

Interest rate risk

The company does not consider interest rate risk as a major risk factor in the company's business development

THE DIRECTORS' REPORT *(continued)*

Capital Resources

The company's capital resources comprise only of core tier one capital, specifically permanent equity share capital and audited retained earnings. The company's tier one capital and deductions made therefrom in accordance with the FSA's rules at 31 December 2012 are as follows

	£'000
Permanent equity capital	1,600
Audited retained earnings	25,228
Tier one capital	<u>26,828</u>
Deductions	
Variable capital resource requirement	<u>(6,587)</u>
Surplus of own funds	20,241

As a full scope BIPRU company the company is required to hold the higher of

- (i) The base capital resource requirement
- (ii) The sum of its credit risk, market risk and operational risk requirements.

Going Concern

The financial statements have been prepared on the going concern basis as at the time of approving the financial statements, the opinion of the directors is that the company has sufficient liquidity to cope with the current environment. In addition the company has sufficient financial resources.

DIRECTORS

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

S Choi	(Resigned 14 May 2012)
M H Gorton	
N Niquet	(Resigned 13 September 2012)
N A Underwood	
T H Toller	
J Patel	(Appointed 14 May 2012)

S Choi resigned as a director on 14 May 2012. N Niquet resigned as a director on 13 September 2012. J Patel was appointed as a director on 14 May 2012.

POLICY ON THE PAYMENT OF CREDITORS

It is the policy of the company to pay creditors in line with terms agreed with the individual suppliers. There were trade creditors due of £483,717 at the year end (2011: £301,843).

DIRECTORS' RESPONSIBILITIES

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the 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 company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, 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 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

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 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 Company's auditors are aware of that information.

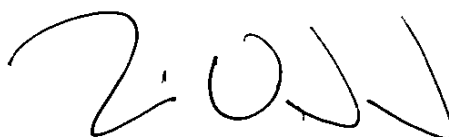
During the year, Shipleys LLP was removed and KPMG Audit LLP was appointed as the company's auditor. KPMG Audit LLP have expressed their willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

SPIRE EUROPE LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2012

DIRECTORS' RESPONSIBILITIES *(continued)*

Registered office:
40 Queen Street
London
EC4R 1DD

Signed by order of the directors



N A UNDERWOOD
Company Secretary

Approved by the directors on 23 APRIL 2013

SPIRE EUROPE LIMITED

FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2012

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SPIRE EUROPE LIMITED

We have audited the financial statements of Spire Europe Limited for the year ended 31 December 2012, which comprise the Profit and Loss Account, Balance Sheet, Cash Flow Statement and the related notes. 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 5, 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 company's affairs as at 31 December 2012 and of its profit 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SPIRE EUROPE LIMITED *(continued)*

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



Matthew Davies (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL
23rd April 2013

SPIRE EUROPE LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2012

PROFIT AND LOSS STATEMENT

	Note	2012 £	2011 £
TRADING PROFIT	2	72,957,510	95,777,525
Trading costs		<u>(37,724,869)</u>	<u>(34,127,227)</u>
GROSS PROFIT		£ 35,232,641	£ 61,650,298
Administrative expenses		<u>(4,588,388)</u>	<u>(7,226,479)</u>
OPERATING PROFIT	3	£ 30,644,253	£ 54,423,819
Interest income		456,771	593,659
Interest expense	6	<u>(717,297)</u>	<u>(901,115)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		£ 30,383,727	£ 54,116,363
Tax on profit on ordinary activities	7	<u>(6,660,961)</u>	<u>(14,910,764)</u>
PROFIT FOR THE FINANCIAL YEAR		<u>£ 23,722,766</u>	<u>£ 39,205,599</u>

All of the activities of the company are classed as continuing

Spire has not recognized gains or losses other than the results for the year as set out above.

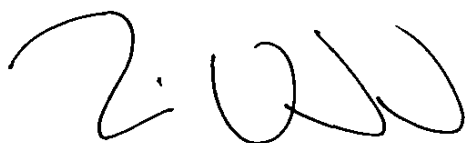
The notes on pages 13 to 21 form part of these financial statements

SPIRE EUROPE LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2012

BALANCE SHEET

	Note	31 Dec 2012 £	31 Dec 2011 £
FIXED ASSETS			
Tangible assets	9	<u>78,939</u>	<u>129,219</u>
		78,939	129,219
CURRENT ASSETS			
Debtors	10	421,038	435,862
Investments	11	3,654,136	3,809,998
Cash at bank		<u>24,068,837</u>	<u>46,902,901</u>
		28,144,011	51,148,761
CREDITORS (amounts falling due within one year)	12	<u>(1,394,993)</u>	<u>(8,672,789)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>£26,827,957</u>	<u>£ 42,605,191</u>
CAPITAL AND RESERVES			
Called-up equity share capital	15	1,600,000	1,600,000
Retained earnings	16	25,227,957	41,005,191
SHAREHOLDER'S FUNDS	17	<u>£26,827,957</u>	<u>£ 42,605,191</u>

These financial statements were approved by the directors and authorized for issue on ~~23 APRIL 2013~~, and are signed on their behalf by



N A Underwood
Director

Company Registration Number 06005750

The notes on pages 13 to 21 form part of these financial statements

SPIRE EUROPE LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2012

CASH FLOW STATEMENT

	2012 £	2011 £
NET CASH INFLOW INFLOW FROM OPERATING ACTIVITIES	<u>23,911,581</u>	<u>58,023,471</u>
	23,911,581	58,023,471
RETURN ON INVESTMENTS AND SERVICING OF FINANCE		
Interest income received	132,613	593,659
Interest expense paid	<u>(717,297)</u>	<u>(901,115)</u>
	(584,684)	(307,456)
CAPITAL EXPENDITURES AND FINANCIAL INVESTMENT		
Acquisition of current asset (investments)	<u>-</u>	<u>(3,809,998)</u>
	-	(3,809,998)
TAXATION	(6,660,961)	(13,658,382)
DIVIDENDS PAID	(39,500,000)	(16,000,000)
INCREASE/(DECREASE) IN CASH	<u>£ (22,834,064)</u>	<u>£ 24,247,635</u>

RECONCILIATION OF OPERATING PROFIT TO NET CASH FLOW

	2012 £	2011 £
Operating profit	30,644,253	54,423,819
Depreciation	50,280	50,445
Decrease on investment	480,020	-
Decrease/(increase) in debtors	14,824	(369,444)
(Decrease)/increase in creditors	<u>(7,277,796)</u>	<u>3,918,651</u>
Net cash inflow from operating activities	<u>£23,911,581</u>	<u>£ 58,023,471</u>

The notes on pages 13 to 21 form part of these financial statements

SPIRE EUROPE LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2012

CASH FLOW STATEMENT *(continued)*

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN FUNDS

	Note	2012 £	2011 £
(Decrease)/increase in cash in the period		<u>(22,834,064)</u> £(22,834,064)	<u>24,247,635</u> 24,247,635
Change in net funds	18	(22,834,064)	24,247,635
Net funds at 1 January	18	<u>46,902,901</u>	<u>22,655,266</u>
Net funds at 31 December	18	<u>£24,068,837</u>	<u>£ 46,902,901</u>

The notes on pages 13 to 21 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 company is a going concern with sufficient liquidity to cope with the current environment. In addition the company has sufficient financial resources

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 the company. 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

Cash flow statement

Cash, for the purpose of the cash flow statement, comprises cash in hand and deposits repayable on demand, less overdrafts payable on demand. Liquid resources are current asset investments which are disposable without curtailing or disrupting the business and are either readily convertible into known amounts of cash at or close to their carrying values or traded in an active market. Liquid resources comprise of cash, cash equivalents and investments in government securities maturing in less than a year.

Trading profit

The trading profit shown in the profit and loss account represents the net amount earned during the year from proprietary trading

The trading profit is calculated by recognizing the market value of the company's portfolio. Unrealized income/loss on open positions is also included in the trading profit

Trading costs

The trading costs shown in the profit and loss account represent costs associated with the proprietary trading performed by Spire

Fixed assets and depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows

Leasehold Property	- 5 years straight line
Computer equipment	- 3 years straight line

The carrying amounts of the Spire'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 recognized whenever the carrying amount of an asset exceeds its recoverable amount.

1. ACCOUNTING POLICIES *(continued)*

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions on foreign currencies are translated into sterling at the rate of exchange ruling on monthly basis. Exchange differences are taken into account in arriving at the operating profit

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited directly to equity.

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognized without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

Current asset investments

Current asset investments are carried at amortised cost using the effective interest rate method less any allowance for estimated impairments.

Dividends paid

Dividends unpaid at the balance sheet date are only recognised as a liability at that date to the extent that they are appropriately authorised and are no longer at the discretion of the Company. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

SPIRE EUROPE LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2012

2 TRADING PROFIT

The trading profit before tax is attributable to the principal activity of the company. An analysis of the trading profit is given below.

	2012	2011
	£	£
United Kingdom	48,669,686	53,836,655
Europe (excluding UK)	12,777,492	27,504,043
Americas	9,749,931	14,434,800
Asia	1,760,401	-
Other	-	2,027
TOTAL TRADING PROFIT	£ 72,957,510	£ 95,777,525

In the opinion of the directors, reporting on net profits and net assets by geographical area would be seriously prejudicial to the interest of the company and as a result the directors do not wish to make such disclosure.

3 OPERATING PROFIT

Operating profit is stated after charging administrative expenses, some of which are broken out below.

Amount receivable by the auditors and their associates in respect of:	2012	2011
	£	£
Depreciation of fixed assets	50,280	50,445
Net loss on foreign currency translation	607,459	508,118
Auditor's remuneration - audit services	51,000	37,000
Auditor's remuneration - taxation services	6,000	2,700
Auditor's remuneration – services pursuant to legislation	3,000	3,000
Auditor's remuneration – all other services	-	3,050

SPIRE EUROPE LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2012

4. PARTICULARS OF EMPLOYEES

The average number of staff employed by the company, including directors, during the financial year amounted to

	2012	2011
Directors	4	5
Support/management staff	6	2
Trading staff	9	5

	2012	2011
Staff costs (including directors) consist of:	£	£
Wages and salaries	2,567,493	1,826,214
Social security costs	367,936	250,637
	<u>£ 2,935,429</u>	<u>£ 2,076,851</u>

5 DIRECTORS' REMUNERATION

The directors' aggregate emoluments in respect of qualifying services were

	2012	2011
	£	£
Directors' emoluments	<u>268,351</u>	<u>213,427</u>
Emolument of highest paid director:		
Total (excluding pension contributions)	<u>112,821</u>	<u>84,987</u>

6. INTEREST EXPENSE

	2012	2011
	£	£
Interest expense	<u>717,297</u>	<u>901,115</u>

SPIRE EUROPE LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2012

7. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of tax expense related to 2012

	2012 £	2011 £
Current tax		
UK Corporation tax at 24.5% (2011: 26.5%)	7,417,748	14,910,764
Overprovision in prior year	(756,787)	-
	<u><u>£ 6,660,961</u></u>	<u><u>£ 14,910,764</u></u>

(b) Factors affecting current tax expense

	2012 £	2011 £
Profit on ordinary activities before taxation	30,383,727	54,116,363
Profit on ordinary activities at rate of tax	7,444,013	14,340,836
Expense not deductible for tax purposes	486	2,361
Capital allowances in excess of depreciation	10,393	11,770
Double taxation relief	(145,657)	(198,467)
Income tax suffered	(644)	(2,523)
Adjustment to tax charge in respect of previous period	(756,787)	756,787
Other	109,157	
	<u><u>£ 6,660,961</u></u>	<u><u>£ 14,910,764</u></u>

8 DIVIDENDS

	2012 £	2011 £
Paid during the year:		
Dividends on equity shares	<u><u>£ 39,500,000</u></u>	<u><u>£ 16,000,000</u></u>

SPIRE EUROPE LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2012

9. TANGIBLE FIXED ASSETS

	Leasehold Property	Equipment	Total
	£	£	£
COST			
1 January 2012	£ 148,758	£ 58,102	£ 206,860
DEPRECIATION AND DISPOSAL			
At 1 January 2012	35,291	42,350	77,641
Accumulated Depreciation in 2012	31,543	15,752	47,295
Disposal in 2012	2,985	-	2,985
At 31 December 2012	£ 69,819	£ 58,102	£ 127,921
NET BOOK VALUE			
At 31 December 2011	113,467	15,752	129,219
At 31 December 2012	£ 78,939	£ -	£ 78,939

10. DEBTORS

	2012	2011
	£	£
Other debtors	179,488	359,417
Prepayments and accrued income	241,550	76,445
	£ 421,038	£ 435,862

11. VALUATION OF INVESTMENTS

	2012	2011
	£	£
Value at the beginning of the year	3,809,998	-
Additions	1,563,748	4,040,390
Disposals	(1,518,756)	-
Interest income	324,158	281,484
Translation on asset held in foreign currency	(525,012)	(511,876)
	£ 3,654,136	£ 3,809,998

SPIRE EUROPE LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2012

12 CREDITORS: Amounts falling due within one year

	2012	2011
	£	£
Trade creditors	483,717	301,843
Amounts owed to related party	413,794	3,401,005
Corporation tax	225,921	4,204,573
Other taxation	84,940	150,142
Other creditors	3,773	219,785
Accruals and deferred income	182,848	395,441
	<u>£ 1,394,993</u>	<u>£ 8,672,789</u>

Amounts owed to related party represent amounts owed to Tower Research Capital LLC in respect to rechargeable costs as well as software license, service fees and administrative support.

13 COMMITMENTS

At 31 December 2012, Spire had annual commitments under non-cancellable operating leases as set out below

	Land and Buildings 2012	2011
	£	£
Operating leases which expire:		
Within 2 to 5 years	<u>175,735</u>	<u>111,315</u>

14 RELATED PARTY TRANSACTIONS

As part of the Business Support Agreement, which became operational on 1st January 2011, Spire Europe Ltd is charged for software, service fees and administrative support provided by Tower Research Capital LLC. Spire Europe Ltd and Tower Research Capital LLC are under common ownership.

An amount of £153,682 (2011 £3,181,308) was payable to Tower Research Capital LLC in respect to software, service fees and administrative support

Recharges of £2,566,909 were made by Tower Research Capital LLC in respect to trading related costs incurred by Tower Research Capital LLC relating to Spire Europe Limited operations

£413,794 (2011 £3,401,005) was due to Tower Research Capital LLC at the balance sheet date

SPIRE EUROPE LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2012

15 ALLOTTED, CALLED UP AND FULLY PAID CAPITAL

	2012	2011	2011	2012
	Number of Shares		£	£
1,600,000 Ordinary shares of £1 each	1,600,000	1,600,000	1,600,000	1,600,000

16. PROFIT AND LOSS ACCOUNT

	2012	2011
	£	£
Balance brought forward	41,005,191	17,799,592
Profit for the financial year	23,722,766	39,205,599
Equity dividends	(39,500,000)	(16,000,000)
Balance carried forward	<u>£ 25,227,957</u>	<u>£ 41,005,191</u>

17 RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

	2012	2011
	£	£
Profit for the financial year	23,722,766	39,205,599
Equity dividends	<u>(39,500,000)</u>	<u>(16,000,000)</u>
Net addition/(subtraction) to shareholder's funds	(15,777,234)	23,205,599
Opening shareholder's funds	<u>42,605,191</u>	<u>19,399,592</u>
Closing shareholder's funds	<u>£ 26,827,957</u>	<u>£ 42,605,191</u>

18. NOTES TO THE CASH FLOW STATEMENT

	Net Cash
At 1 January 2012	46,902,901
Cash Flows	<u>(22,834,064)</u>
At 31 December 2012	<u>£ 24,068,837</u>

19 ULTIMATE PARENT COMPANY

The immediate parent undertaking is Spire Holding Company Limited, a company registered and incorporated in Bermuda. The financial statements of Spire Holding Company Limited are not available to the general public.

The company's ultimate parent undertaking is Tower Research Capital Investments LLC. Tower Research Capital Investments LLC is a company registered and incorporated in the United States. The financial statements of Tower Research Capital Investments LLC are not available to the general public.

The ultimate controlling party is M Gorton, who owns approximately 51% of the ultimate parent company as of 31 December 2012.