

# Caplin Systems Limited

Abbreviated Accounts  
*March 31, 2008*

WEDNESDAY



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30/07/2008

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COMPANIES HOUSE

**Davison and Shingleton**  
**Chartered Accountants**

CAPLIN SYSTEMS LIMITEDDirectors

P Caplin  
A Hawley  
M Johnson

Secretary

S Brock

Auditors

Davison and Shingleton  
Boundary House  
91-93 Charterhouse Street  
London  
EC1M 6HR

Bankers

HSBC Bank plc  
60 Queen Victoria Street  
London  
EC4N 4TR

National Westminster Bank plc  
94 Moorgate  
London  
EC2M 6XT

Solicitors

Goodman Derrick  
90 Fetter Lane  
London  
EC4A 1PT

Registered Office

8th floor  
Mercury House  
Triton Court  
12-14 Finsbury Square  
London, EC2A 1BR

Company Number

02823818

CAPLIN SYSTEMS LIMITEDCHAIRMAN'S STATEMENTPerformance

I am happy to report another successful year for the company, with continued rapid expansion and good profitability. Our decision to increase investment in product development and market share acquisition, while reducing our pre-tax profit margin in the short term, has greatly enhanced our strategic positioning. Revenue grew by 48% to £4.25m, and profit after tax was £222,862.

The proportion of our revenue derived from licence fees has continued to rise as our flagship Caplin Trader product reaches maturity. This trend is likely to continue, with licence fees expected to dominate our revenue in the future.

Strategy

Our goal is to become the market leader in the provision of multi-product trading portals for the world's capital markets.

We continue to develop the Caplin Trader product, broadening the scope, adding new functionality and improving the performance. We are seeing growing demand from the institutional sell-side for comprehensive Web-based trading capabilities to offer their buy-side clients, particularly in the foreign exchange and fixed income markets. Caplin Trader is ideally positioned to satisfy this demand.

At the same time, our core Caplin Platform software continues to attract major new customers and to generate reliable recurring revenues.

Outlook

The current turmoil in the global financial markets is making trading conditions more difficult for all participants. However, the efficiencies offered by Caplin Trader remain attractive even in this downturn, offering our clients the ability to cut costs while growing revenues and trading more profitably. We are confident that we can look forward to continued revenue growth in the coming financial year.

Our healthy sales pipeline and excellent market positioning all bode well for the future.



Paul Caplin  
Chairman

July 22, 2008



**INDEPENDENT AUDITORS' REPORT TO CAPLIN SYSTEMS LIMITED  
UNDER SECTION 247B OF THE COMPANIES ACT 1985**

We have examined the abbreviated accounts on pages 4 to 7 together with the full accounts of the company for the year ended 31 March 2008 prepared under section 226 of the Companies Act 1985

Our report on the full accounts of the company is made solely to the company's shareholders, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholders as a body, for our audit work, for this report or that on the full accounts, or for the opinions we have formed.

**Respective responsibilities of directors and auditors**

The directors are responsible for preparing the abbreviated accounts in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Act to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with those provisions and to report our opinion to you.

**Basis of opinion**

We conducted our work in accordance with Bulletin 2006/3 "The special auditor's report on abbreviated accounts in the United Kingdom" issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the accounts, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

**Opinion**

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Companies Act 1985 in respect of the year ended 31 March 2008 and the abbreviated accounts on pages 4 to 7 have been properly prepared in accordance with those provisions.

Davison and Shingleton  
Registered Auditor

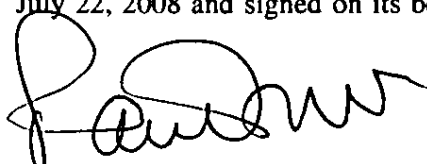
July 29, 2008

CAPLIN SYSTEMS LIMITEDABBREVIATED BALANCE SHEET AT MARCH 31, 2008

	<i>Notes</i>	2008 £'000	2007 £'000
<b>Assets</b>			
Fixed assets			
Tangible assets	2	172	135
Current assets			
Debtors due after more than one year		-	46
Debtors due in less than one year		1,157	769
Cash at bank and in hand		1,267	1,224
		<u>2,424</u>	<u>2,039</u>
Creditors amounts falling due within one year		<u>(1,040)</u>	<u>(844)</u>
Net current assets		1,384	1,195
Total assets less current liabilities		<u>1,556</u>	<u>1,330</u>
<b>Liabilities</b>			
Creditors amounts falling due after more than one year	3	6,364	6,366
Provisions for liabilities and charges		11	6
Capital and reserves			
Called up share capital		100	100
Profit and loss account	4	<u>(4,919)</u>	<u>(5,142)</u>
Shareholders' funds		<u>(4,819)</u>	<u>(5,042)</u>
		<u>1,556</u>	<u>1,330</u>

The abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective January 2007)

Approved and authorised for issue by the Board on  
July 22, 2008 and signed on its behalf by



P Caplin  
Director

The notes on pages 5 to 7 form part of these accounts

CAPLIN SYSTEMS LIMITEDNOTES TO THE ABBREVIATED ACCOUNTS AT MARCH 31, 2008**1    Accounting policies****Accounting convention**

The accounts are prepared under the historical cost convention and in accordance with applicable United Kingdom Accounting Standards and the Financial Reporting Standard for Smaller Entities (effective January 2007)

**Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows

Short leasehold land and buildings	-	over the lease term
Furniture and equipment	-	over 5 years
Computer equipment	-	over 3 years

The carrying values of tangible fixed assets are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable

**Research and development**

Research and development expenditure is written off as incurred

**Deferred tax**

Deferred tax is provided using the liability method at the tax rates that are expected to apply in the periods in which timing differences reverse. Deferred tax assets are only recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted

**Foreign currencies**

Transactions in foreign currencies during the year are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account

**Leasing commitments**

Assets held under finance leases are capitalised in the balance sheet and are depreciated over their useful lives. The capital elements of future obligations under finance leases are included as liabilities in the balance sheet

The interest element of the rental obligations are charged to the profit and loss account over the period of the contracts and represent a constant proportion of the balance of capital repayments outstanding

Rentals paid under operating leases are charged to income on a straight line basis over the lease term

NOTES TO THE ABBREVIATED ACCOUNTS AT MARCH 31, 2008  
(continued)

1 Accounting policies  
(continued)

Pensions

The company contributes to the personal pension schemes of certain employees. The assets of these schemes are held separately from those of the company in independently administered funds. The amount charged against profits represents the contributions payable to the schemes in respect of the accounting period.

2 Tangible fixed assets

	<i>Total</i> £'000
Cost	
At April 1, 2007	864
Additions	126
Disposals	(207)
At March 31, 2008	783
Depreciation	
At April 1, 2007	729
Charge for the year	85
Disposals	(203)
At March 31, 2008	611
Net book value	
At March 31, 2008	172
At April 1, 2007	135

The net book value of furniture and equipment includes an amount of £2,687 (2007 £4,420) in respect of assets held under finance leases.

3 Creditors amounts falling due after more than one year

Included within amounts falling due after more than one year is £2,340 (2007 £3,380) of obligations under finance leases which are secured on the assets being purchased.

Also included is £6,362,430 (2007 £6,363,439) of amounts owed to group undertakings (note 5).

CAPLIN SYSTEMS LIMITEDNOTES TO THE ABBREVIATED ACCOUNTS AT MARCH 31, 2008  
(continued)4 Called up share capital

	<i>Authorised</i>		<i>Allotted, called up and fully paid</i>	
	2008	2007	2008	2007
	No	No	£'000	£'000
Equity share capital				
Ordinary 'A' shares of £0.01 each	20,000,000	20,000,000	100	100

5 Related party transactions

At the balance sheet date, an amount of £6,362,430 (2007 £6,363,439) was due to the company's parent undertaking, Caplin Group Limited. This amount is due after more than one year, has no fixed repayment terms and no interest is payable on the outstanding balance.

During the year the company settled various transactions on behalf of Caplin Systems Inc., a wholly owned subsidiary of Caplin Group Limited. At the balance sheet date, an amount of £137,226 (2007 £121,188) was due to the company, against which £92,161 (2007 £75,341) was provided. These amounts are due within one year, have no fixed repayment terms and no interest is payable on the outstanding balance.

6 Parent undertaking

The parent undertaking is Caplin Group Limited, a company incorporated in England and Wales.