

Company Registration No. 2512904 (England and Wales)

**CALTHORPE LIMITED**  
**DIRECTOR'S REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 1997**



# **CALTHORPE LIMITED**

## **COMPANY INFORMATION**

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<b>Director</b>	Amul Khanna
<b>Secretary</b>	Atul Khanna
<b>Company number</b>	2512904
<b>Registered office</b>	Flat 8 106 Lexham Gardens London W8 6JQ
<b>Auditors</b>	Fisher, Sassoon & Marks Farley Court Allsop Place London NW1 5LG

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# CALTHORPE LIMITED

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# **CALTHORPE LIMITED**

## **DIRECTOR'S REPORT FOR THE YEAR ENDED 30 JUNE 1997**

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The director presents his report and financial statements for the year ended 30 June 1997.

### **Principal activities and review of the business**

The Company's principal activity is that of dealing in options, financial futures and equities.

The director is disappointed with the results for the year, but is hopeful that given more favourable market conditions the company will return to profitability in the future.

### **Results and dividends**

The results for the year are set out on page 4.

An interim ordinary dividend was paid amounting to £13,680. The director does not recommend payment of a final dividend.

### **Director**

The following director has held office since 1 July 1996:

Amul Khanna

### **Director's interests**

The director's beneficial interest in the shares of the company was as stated below:

	<b>Ordinary shares of £1 each</b>	
	<b>30 June 1997</b>	<b>1 July 1996</b>
Amul Khanna	49,999	49,999

### **Auditors**

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Fisher, Sassoon & Marks be reappointed as auditors of the company will be put to the Annual General Meeting.

# CALTHORPE LIMITED

## DIRECTOR'S REPORT FOR THE YEAR ENDED 30 JUNE 1997

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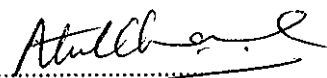
### Director's responsibilities

Company law requires the director to prepare financial statements for each financial year which 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 director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 company will continue in business.

The director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 1985. He is 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.

By order of the board



Atul Khanna

Secretary

29 September 1997

# CALTHORPE LIMITED

## AUDITORS' REPORT TO THE SHAREHOLDERS OF CALTHORPE LIMITED

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We have audited the financial statements on pages 4 to 13 which have been prepared under the accounting policies set out on page 8.

### Respective responsibilities of the director and auditors

As described on page 2 the company's director is responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

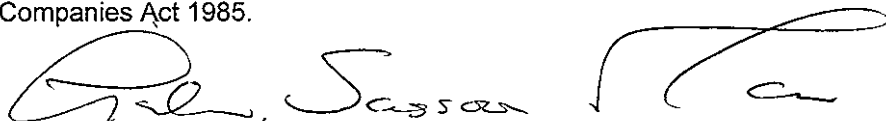
### Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the director in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 June 1997 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**Fisher, Sassoon & Marks**

29 September 1997

Chartered Accountants  
**Registered Auditor**

Farley Court  
Allsop Place  
London NW1 5LG

# CALTHORPE LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 JUNE 1997

	Notes	1997 £	1996 £
Net revenue	2	(78,038)	56,792
Administrative expenses		(14,651)	(27,542)
<b>Operating (loss)/profit</b>	<b>3</b>	<b>(92,689)</b>	<b>29,250</b>
Other interest receivable and similar income	4	165,059	157,696
Interest payable and similar charges	5	(164,919)	(140,299)
<b>(Loss)/profit on ordinary activities before taxation</b>		<b>(92,549)</b>	<b>46,647</b>
Tax on (loss)/profit on ordinary activities	6	26,949	(10,602)
<b>(Loss)/profit on ordinary activities after taxation</b>		<b>(65,600)</b>	<b>36,045</b>
Dividends	7	(13,680)	(4,325)
<b>Retained (loss)/profit for the year</b>	<b>14</b>	<b>(79,280)</b>	<b>31,720</b>

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

There are no recognised gains and losses other than those passing through the profit and loss account.

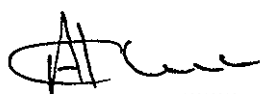
Notes forming part of these financial statements appear on pages 8 to 13.

# CALTHORPE LIMITED

## BALANCE SHEET AS AT 30 JUNE 1997

	Notes	1997 £	£	1996 £	£
<b>Fixed assets</b>					
Investments	9		15,000		15,000
<b>Current assets</b>					
Debtors	10	1,126,284		540,693	
Investments	11	618,615		189,398	
Cash at bank and in hand		-		4,441	
		<u>1,744,899</u>		<u>734,532</u>	
<b>Creditors: amounts falling due within one year</b>	12	<u>(1,507,802)</u>		<u>(418,155)</u>	
<b>Net current assets</b>			<u>237,097</u>		<u>316,377</u>
<b>Total assets less current liabilities</b>			<u>252,097</u>		<u>331,377</u>
<b>Capital and reserves</b>					
Called up share capital	13		50,000		50,000
Profit and loss account	14		202,097		281,377
<b>Shareholders' funds - equity interests</b>	15		<u>252,097</u>		<u>331,377</u>

The financial statements were approved by the Board on 29 September 1997



Amul Khanna  
Director

Notes forming part of these financial statements appear on pages 8 to 13.



# CALTHORPE LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 1997

	1997 £	1996 £
Net cash inflow from operating activities	22,252	27,444
Returns on investments and servicing of finance		
Interest received	165,059	157,696
Interest paid	<u>(164,919)</u>	<u>(140,299)</u>
Net cash inflow for returns on investments and servicing of finance	140	17,397
Taxation	(10,404)	(43,702)
Equity dividends paid	<u>(18,005)</u>	<u>-</u>
Net cash (outflow)/inflow before management of liquid resources and financing	(6,017)	1,139
Decrease in cash in the year	<u><u>(6,017)</u></u>	<u><u>1,139</u></u>

# CALTHORPE LIMITED

## NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 1997

1	Reconciliation of operating (loss)/profit to net cash inflow from operating activities	1997		1996	
		£		£	
	Operating (loss)/profit	(92,689)		29,250	
	Depreciation of tangible assets	-		1,466	
	Increase/(decrease) in current asset investments.	(429,217)		538,433	
	Increase in debtors	(558,838)		(210,504)	
	Increase/(decrease) in creditors within one year	1,102,996		(331,201)	
	Net cash inflow from operating activities	22,252		27,444	
2	Analysis of net (debt)/funds	1 July 1996	Cash flow	Other non-cash changes	30 June 1997
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	4,441	(4,441)		-
	Bank overdrafts	-	(1,576)		(1,576)
		4,441	(6,017)		(1,576)
	Debt:				
	Net funds/(debt)	4,441	(6,017)	-	(1,576)
3	Reconciliation of net cash flow to movement in net debt	1997		1996	
		£		£	
	(Decrease)/increase in cash in the year	(6,017)		1,139	
	Cash inflow from increase in debt	-		-	
	Movement in net (debt)/funds in the year	(6,017)		1,139	
	Opening net funds	4,441		3,302	
	Closing net (debt)/funds	(1,576)		4,441	

# CALTHORPE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 1997

### 1 Accounting Policies

#### 1.1 Accounting convention

The financial statements are prepared under the historical cost convention as modified by the valuation of open trading positions.

#### 1.2 Compliance with accounting standards

The accounts have been prepared in accordance with applicable accounting standards.

#### 1.3 Net revenue

Turnover represents income derived from trading in futures and options on The London International Financial Futures and Options Exchange, and equities on the London Stock Exchange, including dividends receivable.

#### 1.4 Tangible fixed assets and depreciation

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

Fixtures, fittings & equipment	50% Straight line
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#### 1.5 Investments

Fixed asset investments are stated at cost less provision for permanent diminution in value.

#### 1.6 Open options and futures positions, and equities

Long and short open options and futures positions and equities are stated at market value. The mark-to-market differences are reported in net revenue.

#### 1.7 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates 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.

### 2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

Turnover and the particulars of turnover, as required to be disclosed by Schedule 4 paragraph 55 of the Companies Act 1985 respectively are, in the director's opinion, not valid measures of activity in view of the nature of the business and have consequently, not been shown.

3 Operating (loss)/profit	1997	1996
	£	£
Operating (loss)/profit is stated after charging:		
Depreciation of tangible assets	-	1,466
Auditors' remuneration	4,465	4,465

# CALTHORPE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 1997

<b>4</b>	<b>Other Interest Receivable and Similar Income</b>	<b>1997</b>	<b>1996</b>
		£	£
	Interest receivable from clearing agent	165,059	157,696
		<u>          </u>	<u>          </u>
<b>5</b>	<b>Interest Payable</b>	<b>1997</b>	<b>1996</b>
		£	£
	Interest payable to clearing agent	164,919	140,299
		<u>          </u>	<u>          </u>
<b>6</b>	<b>Taxation</b>	<b>1997</b>	<b>1996</b>
		£	£
	<b>U.K. current year taxation</b>		
	U.K. corporation tax at 24% (1996 - 25%)	(26,753)	10,600
	<b>Prior years</b>		
	U.K. Corporation tax	(196)	2
		<u>          </u>	<u>          </u>
		(26,949)	10,602
		<u>          </u>	<u>          </u>
<b>7</b>	<b>Dividends</b>	<b>1997</b>	<b>1996</b>
		£	£
	Ordinary interim paid	13,680	-
	Ordinary final proposed	-	4,325
		<u>          </u>	<u>          </u>
		13,680	4,325
		<u>          </u>	<u>          </u>

# CALTHORPE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 1997

### 8 Tangible fixed assets

	Fixtures, fittings & equipment £
<b>Cost</b>	
At 1 July 1996	8,937
Disposals	(2,854)
	<hr/>
At 30 June 1997	6,083
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<b>Depreciation</b>	
At 1 July 1996	8,937
On disposals	(2,854)
	<hr/>
At 30 June 1997	6,083
	<hr/>
<b>Net book value</b>	
At 30 June 1997	-
	<hr/> <hr/>

### 9 Fixed Asset Investments

	Unlisted investments £
<b>Cost</b>	
At 1 July 1996 & at 30 June 1997	15,000
	<hr/>
At 30 June 1996	15,000
	<hr/>
	<b>Director's valuation £</b>
At 30 June 1997	10,000
At 30 June 1996	12,000

The Investments represents a 'D'share in LIFFE Holdings Plc..

# CALTHORPE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 1997

<b>10 Debtors</b>	<b>1997</b>	<b>1996</b>
	<b>£</b>	<b>£</b>
Trade debtors	1,092,604	522,606
Corporation tax	26,753	-
Other debtors	-	11,000
Prepayments	6,927	7,087
	<u>1,126,284</u>	<u>540,693</u>
<b>11 Current Asset Investments</b>	<b>1997</b>	<b>1996</b>
	<b>£</b>	<b>£</b>
Traded options long positions	573,280	152,660
Listed equities	45,335	36,738
	<u>618,615</u>	<u>189,398</u>
<b>12 Creditors: amounts falling due within one year</b>	<b>1997</b>	<b>1996</b>
	<b>£</b>	<b>£</b>
Bank overdraft	1,576	-
Corporation tax	-	10,600
Other taxes and social security costs	697	-
Director's current accounts	97,842	97,317
Traded options short positions	1,379,615	294,310
Open futures positions	22,200	3,500
Accruals	5,872	8,103
Proposed dividend	-	4,325
	<u>1,507,802</u>	<u>418,155</u>

A floating charge over the company's assets was created on 23 June 1991 in favour of the company's clearing agent.

# CALTHORPE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 1997

13 Share capital	1997 £	1996 £
<b>Authorised</b>		
50,000 Ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>
<b>Allotted, called up and fully paid</b>		
50,000 Ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>
14 Statement of movements on profit and loss account		
		<b>Profit and loss account £</b>
Balance at 1 July 1996		281,377
Retained loss for the year		<u>(79,280)</u>
Balance at 30 June 1997		<u>202,097</u>
15 Reconciliation of movements in shareholders' funds		
	1997 £	1996 £
(Loss)/Profit for the financial year	(65,600)	36,045
Dividends	<u>(13,680)</u>	<u>(4,325)</u>
Net (depletion in)/addition to shareholders' funds	(79,280)	31,720
Opening shareholders' funds	<u>331,377</u>	<u>299,657</u>
Closing shareholders' funds	<u>252,097</u>	<u>331,377</u>
16 Director's Emoluments		
	1997 £	1996 £
Emoluments for qualifying services (including benefits in kind)	<u>3,194</u>	<u>3,652</u>

# CALTHORPE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 1997

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### 17 Employees

#### Number of employees

The average monthly number of employees (including directors) during the year was:

	1997 Number	1996 Number
Trading	2	2

#### Employment costs

	£	£
Wages and salaries	4,395	15,164
Social security costs	188	1,213
	4,583	16,377

### 18 Control

The company is controlled by A Khanna by virtue of his shareholding.