
FXOPEN LIMITED

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

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COMPANIES HOUSE

FXOPEN LIMITED

COMPANY INFORMATION

DIRECTORS	Alexey Stepanov Gary Thomson
REGISTERED NUMBER	07273392
REGISTERED OFFICE	The Apex 2 Sheriffs Orchard Coventry England CV1 3PP
INDEPENDENT AUDITORS	SH Landes LLP 3rd Floor Fairgate House 78 New Oxford Street London WC1A 1HB

FXOPEN LIMITED

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FXOPEN LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2013

The directors present their report and the financial statements for the year ended 31 December 2013

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic report, 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 these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and accounting 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 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.

RESULTS

The loss for the year, after taxation, amounted to £441,169 (2012 - loss £353,754)

DIRECTORS

The directors who served during the year were

Alexey Stepanov
Gary Thomson

FXOPEN LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2013**

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditors are aware of that information

AUDITORS

The auditors, SH Landes LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006

This report was approved by the board and signed on its behalf



Alexey Stepanov
Director

Date 23 April 2014

FXOPEN LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2013

INTRODUCTION

The principal activity of FXOpen Ltd ('FXOpen UK') is the provision of online currency and precious metals brokerage services

The clientele of the business is diverse but is mainly composed of individual traders

The company is authorised and regulated by the Financial Conduct Authority ('FCA') under firm reference number 579202

BUSINESS REVIEW

During the reporting period the company established its operations and is now actively trading as a business. After being granted the Financial Services Authority (now the Financial Conduct Authority) licence at the end of March 2013, the company went on to secure new office space suitable for its operations with additional space for further growth. The company recruited and trained additional staff members to operate and manage the day to day operations and also purchased installed and tested the required IT infrastructure and launched the company website www.fxopen.co.uk. This required a significant investment which was fully budgeted and tight control was maintained over expenses incurred.

In November 2013 the company officially launched its operations and began trading. Initial interest in the company's products was strong with clients quickly attracted by the company's core product – access to an ECN trading environment for customers wishing to trade OTC financial instruments, principally rolling spot forex via MetaTrader 4 platform. The company's business has developed in line with the board's expectations.

In the coming year the company expects to continue to grow its active client base, particularly targeting Europe, via digital marketing and referrals which have so far been proven to be the most effective way of acquiring clients. Following the first few months of operations over ostensibly a holiday period the company expects to further analyse and action its marketing activities via the most effective channels.

The company also intends to further the use of "Introducing brokers" and commercial partnerships to achieve its desired growth rates.

We continue to invest in our products and services with further developments in additional payments options, a new modern and enhanced website and the launch of new banking relationships. These are all designed to enhance the client experience and make our product increasingly attractive to prospective clients.

The outlook for the year ahead, in the opinion of the board, is one of continued growth, brand recognition and successful operations. All members of the board understand the requirement to grow the business whilst maintaining a level of control over costs to ensure a successful trading period of 2014-15. The board feels extremely confident of the company's performance in the year ahead, and expects a significant growth in client numbers, client deposits and trade volumes.

PRINCIPAL RISKS AND UNCERTAINTIES

Operational Risk

Operational risk is a risk of loss resulting from inadequate or failed internal processes, people and systems or from external factors. Operational risk can further be divided into the following subcategories: internal and external fraud risk, marketing and advertising risk, reporting risk, internal procedures and control risk, damage to physical asset, business disruption and system failures risk, etc.

FXOPEN LIMITED

STRATEGIC REPORT (continued)

Liquidity risk

This is the risk that the company will be unable to meet payment obligations as they fall due. In order to mitigate this risk the company ensures that it has sufficient liquid resources to meet the operating needs of the business.

Regulatory risk

The company is required to comply with regulatory requirements in different jurisdictions, primarily those of the FCA. Various procedures are in place to ensure that these requirements are met, which is overseen by the Directors and the Compliance Officer.

Foreign exchange risk

The company's principal currency exposure arises from trading with overseas companies and the fact that its cash at bank is mainly held in currencies other than the reporting currency. Going forward this risk may be hedged in order to fix the cash reserves and costs in pound sterling.

FINANCIAL KEY PERFORMANCE INDICATORS

Key Performance Indicators	2013	2012
	£	£
Turnover	1,505	-
Net Assets	683,213	14,541
Loss for the financial year	441,169	353,754

Key performance indicators, with which the board monitors the business and its performance, are trading volume, commission income received, and net profit margin.

This report was approved by the board on 23 April 2014 and signed on its behalf



Alexey Stepanov
Director

FXOPEN LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF FXOPEN LIMITED

We have audited the financial statements of FXOpen Limited for the year ended 31 December 2013, set out on pages 7 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 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As explained more fully in the Directors' responsibilities statement, 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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic report and the Directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 2013 and of its loss 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 Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

FXOPEN LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF FXOPEN LIMITED

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

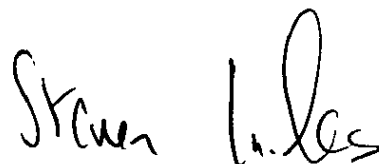
We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- 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

Steven Landes (Senior Statutory Auditor)
for and on behalf of S H Landes LLP
Statutory Auditors

3rd Floor
Fairgate House
78 New Oxford Street
London
WC1A 1HB

23 April 2014



FXOPEN LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2013**

	Note	2013 £	2012 £
TURNOVER	1,2	1,505	-
Cost of sales		(609)	-
		<hr/>	<hr/>
GROSS PROFIT		896	-
Administrative expenses		(442,065)	(368,254)
Other operating income	3	-	14,500
		<hr/>	<hr/>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(441,169)	(353,754)
Tax on loss on ordinary activities	8	-	-
		<hr/>	<hr/>
LOSS FOR THE FINANCIAL YEAR		(441,169)	(353,754)
		<hr/>	<hr/>

All amounts relate to continuing operations

There were no recognised gains and losses for 2013 or 2012 other than those included in the Profit and loss account

The notes on pages 10 to 15 form part of these financial statements

FXOPEN LIMITED
REGISTERED NUMBER 07273392

BALANCE SHEET
AS AT 31 DECEMBER 2013

	Note	£	2013 £	£	2012 £
FIXED ASSETS					
Tangible assets	9		6,067		346
CURRENT ASSETS					
Debtors	10	21,911		17,251	
Cash at bank		707,774		19,096	
		<u>729,685</u>		<u>36,347</u>	
CREDITORS amounts falling due within one year	11	(52,539)		(22,152)	
NET CURRENT ASSETS			677,146		14,195
NET ASSETS			<u>683,213</u>		<u>14,541</u>
CAPITAL AND RESERVES					
Called up share capital	13		1,637,889		528,048
Profit and loss account	14		(954,676)		(513,507)
SHAREHOLDERS' FUNDS	15		<u>683,213</u>		<u>14,541</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by



Alexey Stepanov
Director

Date 23 April 2014

The notes on pages 10 to 15 form part of these financial statements

FXOPEN LIMITED

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2013**

	Note	2013 £	2012 £
Net cash flow from operating activities	16	(415,047)	(357,994)
Taxation		-	14,543
Capital expenditure and financial investment	17	(6,116)	-
CASH OUTFLOW BEFORE FINANCING		(421,163)	(343,451)
Financing	17	1,109,841	322,589
INCREASE/(DECREASE) IN CASH IN THE YEAR		688,678	(20,862)

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
FOR THE YEAR ENDED 31 DECEMBER 2013**

	2013 £	2012 £
Increase/(Decrease) in cash in the year	688,678	(20,862)
MOVEMENT IN NET FUNDS IN THE YEAR	688,678	(20,862)
Net funds at 1 January 2013	19,096	39,958
NET FUNDS AT 31 DECEMBER 2013	707,774	19,096

The notes on pages 10 to 15 form part of these financial statements

FXOPEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

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

1.2 Turnover

Turnover represents commission income generated on all foreign exchange and precious metals trades undertaken by market participants using the company's platform for trading. Commissions revenue is recognised on a trade date basis.

1.3 Operating leases

Rentals under operating leases are charged to the Profit and loss account on a straight line basis over the lease term.

1.4 Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction. Exchange gains and losses are recognised in the Profit and loss account.

1.5 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 of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Office equipment	- 25 %
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2. TURNOVER

All turnover arose within the United Kingdom.

3. OTHER OPERATING INCOME

	2013 £	2012 £
Other operating income - expense reimbursement	-	14,500

FXOPEN LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

4 LOSS

The loss is stated after charging

	2013 £	2012 £
Depreciation of tangible fixed assets - owned by the company	395	129
Difference on foreign exchange	81,553	21
	<u>81,553</u>	<u>129</u>

5. AUDITORS' REMUNERATION

	2013 £	2012 £
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	6,000	-
	<u>6,000</u>	<u>-</u>

6 STAFF COSTS

Staff costs, including directors' remuneration, were as follows

	2013 £	2012 £
Wages and salaries	239,353	214,673
Social security costs	29,425	26,568
	<u>268,778</u>	<u>241,241</u>

The average monthly number of employees, including the directors, during the year was as follows

	2013 No	2012 No
	3	2
	<u>3</u>	<u>2</u>

7 DIRECTORS' REMUNERATION

	2013 £	2012 £
Remuneration	179,910	167,673
	<u>179,910</u>	<u>167,673</u>

FXOPEN LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

8 TAXATION

	2013 £	2012 £
UK corporation tax charge on loss for the year	-	-

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2012 - *higher than*) the standard rate of corporation tax in the UK of 20% (2012 - 20%) The differences are explained below

	2013 £	2012 £
Loss on ordinary activities before tax	(441,169)	(353,754)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2012 - 20%)	(88,234)	(70,751)
Effects of.		
Unrelieved tax losses carried forward	88,234	70,751
Current tax charge for the year (see note above)	-	-

Factors that may affect future tax charges

The company has accumulated tax losses which may be available for off-set against future taxable profits A deferred tax asset has not been provided as its recovery is uncertain at this time

9 TANGIBLE FIXED ASSETS

	Other fixed assets £
Cost	
At 1 January 2013	475
Additions	6,116
At 31 December 2013	6,591
Depreciation	
At 1 January 2013	129
Charge for the year	395
At 31 December 2013	524
Net book value	
At 31 December 2013	6,067
At 31 December 2012	346

FXOPEN LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

10. DEBTORS

	2013 £	2012 £
Other Debtors	16,661	14,501
Prepayments and accrued income	5,250	2,750
	<u>21,911</u>	<u>17,251</u>

11 CREDITORS

Amounts falling due within one year

	2013 £	2012 £
Client money liability	31,712	-
Trade creditors	-	2,268
Other taxation and social security	12,223	8,373
Other creditors	2,604	11,511
Accruals and deferred income	6,000	-
	<u>52,539</u>	<u>22,152</u>

Included in other creditors is £2,604 (2012 - £11,511) owed to A Stepanov, company director

12 DEFERRED TAXATION

	2013 £	2012 £
At beginning and end of year	<u>-</u>	<u>-</u>

13. SHARE CAPITAL

	2013 £	2012 £
1,637,889 Allotted Share Capital	<u>1,637,889</u>	<u>1,000,000</u>
Called up and fully paid		
1,637,889 (2012 - 528,048) Ordinary Shares of £1 each	<u>1,637,889</u>	<u>528,048</u>

During the year 637,889 ordinary shares of £1 each were issued. During the year the company made calls of £471,952 (£0.47 per share) in respect of £1 million ordinary shares of £1 each allotted in 2012.

FXOPEN LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

14 RESERVES

	Profit and loss account £
At 1 January 2013	(513,507)
Loss for the year	(441,169)
At 31 December 2013	<u>(954,676)</u>

15 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2013 £	2012 £
Opening shareholders' funds	14,541	45,706
Loss for the financial year	(441,169)	(353,754)
Shares issued during the year	1,109,841	322,589
Closing shareholders' funds	<u>683,213</u>	<u>14,541</u>

16 NET CASH FLOW FROM OPERATING ACTIVITIES

	2013 £	2012 £
Operating loss	(441,169)	(353,754)
Depreciation of tangible fixed assets	395	129
(Increase)/decrease in debtors	(3,750)	1
Increase in amounts owed by group undertakings	(911)	-
Increase/(decrease) in creditors	30,388	(4,370)
Net cash outflow from operating activities	<u>(415,047)</u>	<u>(357,994)</u>

17 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2013 £	2012 £
Capital expenditure and financial investment		
Purchase of tangible fixed assets	<u>(6,116)</u>	<u>-</u>

FXOPEN LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

17 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT (continued)

	2013 £	2012 £
Financing		
Issue of ordinary shares	1,109,841	-
Purchase of ordinary shares	-	322,589
Net cash inflow from financing	<u>1,109,841</u>	<u>322,589</u>

18 ANALYSIS OF CHANGES IN NET FUNDS

	1 January 2013 £	Cash flow £	Other non-cash changes £	31 December 2013 £
Cash at bank and in hand	19,096	688,678	-	707,774
Net funds	<u>19,096</u>	<u>688,678</u>	<u>-</u>	<u>707,774</u>

19. CONTROLLING PARTY

The ultimate controlling party is Mr Aliaksandr Klimenka

20. Client money

The Company holds client money on behalf of clients in accordance with the client money rules of the FCA. Client monies are included on the balance sheet, where they are disclosed as cash with the corresponding creditor. Included within cash at bank are client money balances totaling £31,711.57 (2012 £nil).