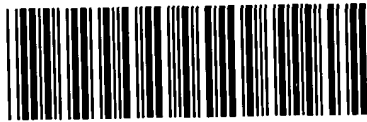


Company Registration No. 07273392 (England and Wales)

**FXOPEN LTD**  
**ANNUAL REPORT AND**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31 DECEMBER 2018**

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# FXOPEN LTD

## COMPANY INFORMATION

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<b>Directors</b>	G Thomson A Stepanov
<b>Company number</b>	07273392
<b>Registered office</b>	The Apex 2 Sheriffs Orchard Coventry CV1 3PP
<b>Auditor</b>	Fisher, Sassoon & Marks 43 - 45 Dorset Street London W1U 7NA

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# **FXOPEN LTD**

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# FXOPEN LTD

## STRATEGIC REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2018

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The directors present the strategic report for the year ended 31 December 2018.

#### **Fair review of the business**

The company is regulated by the United Kingdom Financial Conduct Authority. The company's main source of revenue is commission charged, based upon the volume of trades carried out by the company's clients.

The results for the year and the financial position at the year end represent tough market condition. During the course of 2018, the company maintained its client base in European and non European market. Turnover decreased substantially in mid 2018 and in total, as compared to 2017, reflecting the new margin rules applicable to the retail clients, introduced by European Securities and Market Authority (ESMA). The board is focused on expand its client base, professional and retail.

#### **Principal risks and uncertainties**

The company continuously carries out an assessment of the risks which have the potential to have a significant negative impact on its financial performance and future business prospects. The company has a low appetite for risk.

##### Price risk:

Price risk is defined as the risk that exposures to excessive price fluctuations in positions held by the company would cause a material loss to arise. Because all client positions are hedged with Liquidity Provider, this risk is materially mitigated.

##### Credit risk:

Credit risk arises where a borrower or counterparty fail to meet their financial obligations. The main source of credit risk for the company is on deposits held at third parties. No credit is extended to clients. To mitigate this risk, all customer funds are held in a UK regulated clearing bank and the company's own funds are held across a number of European banks.

##### Cash flow risk:

Cash flow risks are that the company does not have sufficient financial resources to meet its obligations as they fall due. Under the company's business model, the only reason for this to happen would be the Liquidity Provider not being able to pay the company any amounts due, leaving the company unable to settle its obligations with its clients, or vice versa. The company has controls in place to ensure that clients do not owe more than their deposit and is given reports by Liquidity Provider which demonstrates that they are operating within their own risk parameters.

##### Liquidity risk:

The company manages its cash and borrowing requirements in order to maximise interest income and minimise interest expense, whilst ensuring the company has sufficient liquid resources to meet the operating needs of the business.

##### Foreign currency risk:

The company principal foreign currency exposures arise from trading with overseas companies. Company policy permits but does not demand that these exposures may be hedged in order to fix the cost in sterling.

#### **Key performance indicators**

Key performance indicators are turnover £351,481 (2017: £1,389,113) and gross profit for the year £213,540 (2017: £949,310). At the year end the firm had net assets of £1,162,637 (2017 - £1,247,563).

On behalf of the board



A Stepanov

Director

28/03/2019

# **FXOPEN LTD**

## **DIRECTORS' REPORT**

### **FOR THE YEAR ENDED 31 DECEMBER 2018**

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The directors present their annual report and financial statements for the year ended 31 December 2018.

#### **Principal activities**

The principal activity of the company continued to be that of provision of online currency and precious metals brokerage services.

#### **Directors**

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

G Thomson  
A Stepanov

#### **Results and dividends**

The results for the year are set out on page 6.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

#### **Supplier payment policy**

The company's current policy concerning the payment of trade creditors is to:

- settle the terms of payment with suppliers when agreeing the terms of each transaction;
- ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts; and
- pay in accordance with the company's contractual and other legal obligations.

#### **Future developments**

The company plans to continue the expansion of its retail and professional client base during the course of 2019 in European and non European market. This will be achieved by organic growth.

#### **Auditor**

The auditor, Fisher, Sassoon & Marks, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

#### **Statement of directors' responsibilities**

The directors are responsible for preparing the annual 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 judgements 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.

# **FXOPEN LTD**

## **DIRECTORS' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2018**

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### **Statement of disclosure to auditor**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board



.....  
A Stepanov

Director

Date: 28/03/2019.....

# FXOPEN LTD

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FXOPEN LTD

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### Opinion

We have audited the financial statements of FXOpen LTD (the 'company') for the year ended 31 December 2018 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 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.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's *responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- 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; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

# FXOPEN LTD

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF FXOPEN LTD

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#### Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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.

#### Responsibilities of directors

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

#### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

#### Use of our report

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.



Jonathan Marks (Senior Statutory Auditor)  
for and on behalf of Fisher, Sassoon & Marks

Chartered Accountants  
Statutory Auditor

28.03.2019

43 - 45 Dorset Street  
London  
W1U 7NA



# FXOPEN LTD

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	2018 £	2017 £
Turnover	3	351,481	1,389,113
Cost of sales		(137,941)	(439,803)
<b>Gross profit</b>		<b>213,540</b>	<b>949,310</b>
Administrative expenses		(561,532)	(557,765)
<b>(Loss)/profit before taxation</b>		<b>(347,992)</b>	<b>391,545</b>
Tax on (loss)/profit	7	-	-
<b>(Loss)/profit for the financial year</b>		<b>(347,992)</b>	<b>391,545</b>

The Profit And Loss Account has been prepared on the basis that all operations are continuing operations.

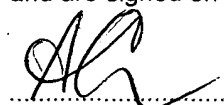
# FXOPEN LTD

## BALANCE SHEET

AS AT 31 DECEMBER 2018

	Notes	2018 £	£	2017 £	£
<b>Fixed assets</b>					
Intangible assets	8		113,742		96,866
Tangible assets	9		457		722
			<u>114,199</u>		<u>97,588</u>
<b>Current assets</b>					
Debtors	11	60,796		39,739	
Cash at bank and in hand		<u>7,857,879</u>		<u>9,125,655</u>	
		7,918,675		9,165,394	
<b>Creditors: amounts falling due within one year</b>	12	<u>(6,870,237)</u>		<u>(8,015,419)</u>	
<b>Net current assets</b>			<u>1,048,438</u>		<u>1,149,975</u>
<b>Total assets less current liabilities</b>			<u><u>1,162,637</u></u>		<u><u>1,247,563</u></u>
<b>Capital and reserves</b>					
Called up share capital	15	2,263,066		2,000,000	
Profit and loss reserves	16	<u>(1,100,429)</u>		<u>(752,437)</u>	
<b>Total equity</b>			<u><u>1,162,637</u></u>		<u><u>1,247,563</u></u>

The financial statements were approved by the board of directors and authorised for issue on 28/03/2019 and are signed on its behalf by:



A Stepanov  
Director

Company Registration No. 07273392

# FXOPEN LTD

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 January 2017		2,000,000	(1,143,982)	856,018
Year ended 31 December 2017:				
Profit and total comprehensive income for the year		-	391,545	391,545
Balance at 31 December 2017		2,000,000	(752,437)	1,247,563
Year ended 31 December 2018:				
Loss and total comprehensive income for the year		-	(347,992)	(347,992)
Issue of share capital	15	263,066	-	263,066
Balance at 31 December 2018		2,263,066	(1,100,429)	1,162,637

# FXOPEN LTD

## STATEMENT OF CASH FLOWS

**FOR THE YEAR ENDED 31 DECEMBER 2018**

	Notes	2018 £	£	2017 £	£
<b>Cash flows from operating activities</b>					
Cash (absorbed by)/generated from operations	21		(1,464,042)		5,514,401
Income taxes paid			-		(3,177)
<b>Net cash (outflow)/inflow from operating activities</b>			(1,464,042)		5,511,224
<b>Investing activities</b>					
Purchase of intangible assets		(66,686)		(105,912)	
Purchase of tangible fixed assets		(114)		-	
<b>Net cash used in investing activities</b>			(66,800)		(105,912)
<b>Financing activities</b>					
Proceeds from issue of shares		263,066		-	
<b>Net cash generated from/(used in) financing activities</b>			263,066		-
<b>Net (decrease)/increase in cash and cash equivalents</b>			(1,267,776)		5,405,312
Cash and cash equivalents at beginning of year			9,125,655		3,720,343
<b>Cash and cash equivalents at end of year</b>			7,857,879		9,125,655

# FXOPEN LTD

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2018

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#### 1 Accounting policies

##### Company information

FXOpen LTD is a private company limited by shares incorporated in England and Wales. The registered office is The Apex, 2 Sheriffs Orchard, Coventry, CV1 3PP.

##### 1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

##### 1.2 Going concern

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

##### 1.3 Turnover

Turnover represents commission income from broking in foreign exchange and precious metals trades and is recognised on a trade date basis.

##### 1.4 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Software	33% - 100% straight line
----------	--------------------------

##### 1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and machinery	15% - 33% straight line
---------------------	-------------------------

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

# FXOPEN LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2018

---

#### 1 Accounting policies

(Continued)

##### 1.6 Impairment of fixed assets

At each reporting date fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss. If an impairment loss subsequently reverses, the carry amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

##### 1.7 Financial instruments

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

##### ***Fair value measurement of financial instruments***

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

##### ***Basic financial assets***

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

# FXOPEN LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

---

### 1 Accounting policies

(Continued)

#### **Other financial assets**

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

#### **Impairment of financial assets**

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

#### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

#### **Classification of financial liabilities**

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.

#### **Basic financial liabilities**

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

# FXOPEN LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2018

---

#### 1 Accounting policies

(Continued)

##### **Other financial liabilities**

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

##### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

#### 1.8 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

#### 1.9 Derivatives

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

#### 1.10 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### 1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

#### 1.12 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.



# FXOPEN LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

### 1 Accounting policies

(Continued)

#### 1.13 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

### 2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

### 3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2018 £	2017 £
<b>Turnover analysed by class of business</b>		
Commission	351,481	1,389,113

	2018 £	2017 £
<b>Turnover analysed by geographical market</b>		
EC Commission	162,381	213,371
Non-EC Commission	189,100	1,175,742
	351,481	1,389,113

### 4 Operating (loss)/profit

	2018 £	2017 £
Operating (loss)/profit for the year is stated after charging/(crediting):		
Exchange losses/(gains)	(34,054)	84,808
Fees payable to the company's auditors for the audit of the company's financial statements	9,450	9,500
Depreciation of owned tangible fixed assets	379	1,624
Amortisation of intangible assets	49,810	13,337
Operating lease charges	71,669	70,297

# FXOPEN LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2018

#### 5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2018 Number	2017 Number
Management	2	2
Administration	1	1
	<u>3</u>	<u>3</u>

Their aggregate remuneration comprised:

	2018 £	2017 £
Wages and salaries	263,984	237,746
Social security costs	32,968	29,436
Pension costs	2,334	1,118
	<u>299,286</u>	<u>268,300</u>

#### 6 Directors' remuneration

	2018 £	2017 £
Remuneration for qualifying services	<u>215,000</u>	<u>184,750</u>

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2018 £	2017 £
Remuneration for qualifying services	<u>115,000</u>	<u>96,583</u>

# FXOPEN LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2018

#### 7 Taxation

The actual charge for the year can be reconciled to the expected (credit)/charge for the year based on the profit or loss and the standard rate of tax as follows:

	2018 £	2017 £
(Loss)/profit before taxation	(347,992)	391,545
Expected tax (credit)/charge based on the standard rate of corporation tax in the UK of 19.00% (2017: 19.00%)	(66,118)	74,394
Tax effect of expenses that are not deductible in determining taxable profit	198	178
Tax effect of utilisation of tax losses not previously recognised	-	(57,291)
Unutilised tax losses carried forward	69,077	-
Permanent capital allowances in excess of depreciation	(3,157)	(17,281)
Taxation charge for the year	-	-

The company has estimated losses of £1,222,997 (2017 - £859,436) available for carry forward against future trading profits.

#### 8 Intangible fixed assets

	Software £
<b>Cost</b>	
At 1 January 2018	112,496
Additions - separately acquired	66,686
At 31 December 2018	179,182
<b>Amortisation and impairment</b>	
At 1 January 2018	15,630
Amortisation charged for the year	49,810
At 31 December 2018	65,440
<b>Carrying amount</b>	
At 31 December 2018	113,742
At 31 December 2017	96,866

# FXOPEN LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

### 9 Tangible fixed assets

	Plant and machinery £
<b>Cost</b>	
At 1 January 2018	10,410
Additions	114
At 31 December 2018	10,524
<b>Depreciation and impairment</b>	
At 1 January 2018	9,688
Depreciation charged in the year	379
At 31 December 2018	10,067
<b>Carrying amount</b>	
At 31 December 2018	457
At 31 December 2017	722

### 10 Financial instruments

	2018 £	2017 £
<b>Carrying amount of financial assets</b>		
Debt instruments measured at amortised cost	18,000	21,271
<b>Carrying amount of financial liabilities</b>		
Measured at amortised cost	6,860,331	8,005,859

### 11 Debtors

	2018 £	2017 £
<b>Amounts falling due within one year:</b>		
Trade debtors	-	3,528
Other debtors	19,304	22,120
Prepayments and accrued income	41,492	14,091
	60,796	39,739

# FXOPEN LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

### 12 Creditors: amounts falling due within one year

	2018 £	2017 £
Trade creditors	6,850,577	7,992,426
Other taxation and social security	9,906	9,560
Other creditors	51	825
Accruals and deferred income	9,703	12,608
	<u>6,870,237</u>	<u>8,015,419</u>

### 13 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, as cash at bank with the corresponding liability included in creditors. At 31 December 2018, amounts held by the Company on behalf of retail clients in accordance with the Client Assets Rules of the Financial Conduct Authority amounted to £2,151,387 (2017: £2,348,721).

### 14 Retirement benefit schemes

	2018 £	2017 £
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	<u>2,334</u>	<u>1,118</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

### 15 Share capital

	2018 £	2017 £
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
2,263,066 Ordinary shares of £1 each	<u>2,263,066</u>	<u>2,000,000</u>
	<u>2,263,066</u>	<u>2,000,000</u>

During the year 263,066 ordinary shares of £1 each were allotted and fully paid at par for cash consideration to provide additional working capital.

# FXOPEN LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

### 16 Profit and loss reserves

	2018 £	2017 £
At the beginning of the year	(752,437)	(1,143,982)
(Loss)/profit for the year	(347,992)	391,545
At the end of the year	<u>(1,100,429)</u>	<u>(752,437)</u>

### 17 Operating lease commitments

#### Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2018 £	2017 £
Within one year	<u>36,000</u>	<u>35,490</u>

### 18 Events after the reporting date

There are no matters to report.

### 19 Related party transactions

#### Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2018 £	2017 £
Aggregate compensation	<u>215,000</u>	<u>184,750</u>

### 20 Controlling party

The ultimate controlling party is Mr Aliaksandr Klimenka by virtue of his shareholding.

# FXOPEN LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2018

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#### 21 Cash generated from operations

	2018 £	2017 £
(Loss)/profit for the year after tax	(347,992)	391,545
<b>Adjustments for:</b>		
Amortisation and impairment of intangible assets	49,810	13,337
Depreciation and impairment of tangible fixed assets	379	1,624
<b>Movements in working capital:</b>		
(Increase) in debtors	(21,057)	(12,439)
(Decrease)/increase in creditors	(1,145,182)	5,120,334
<b>Cash (absorbed by)/generated from operations</b>	<u>(1,464,042)</u>	<u>5,514,401</u>