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**FREEMARKETFX LIMITED**

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**UNAUDITED**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2016**



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**FREEMARKETFX LIMITED**

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**COMPANY INFORMATION**

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<b>Directors</b>	A Hunn F Davidson M Townsend R Ricci
<b>Company secretary</b>	A Hunn
<b>Registered number</b>	07289573
<b>Registered office</b>	25 Moorgate London EC2R 6AY
<b>Accountants</b>	Smith & Williamson LLP Chartered Accountants 1 Bishops Wharf Walnut Tree Close Guildford Surrey GU1 4RA

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**FREEMARKETFX LIMITED**

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**FREEMARKETFX LIMITED**

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**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2016**

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The Directors present their report and the financial statements for the year ended 31 December 2016.

**Directors**

The Directors who served during the year were:

A Hunn  
F Davidson  
M Townsend  
R Ricci

**Small companies note**

In preparing this report, the Directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on *26-9-17* and signed on its behalf.

  
**A Hunn**  
Secretary

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**FREEMARKETFX LIMITED**

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**CHARTERED ACCOUNTANTS' REPORT TO THE BOARD OF DIRECTORS ON THE PREPARATION OF  
THE UNAUDITED STATUTORY FINANCIAL STATEMENTS OF FREEMARKETFX LIMITED  
FOR THE YEAR ENDED 31 DECEMBER 2016**

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In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Freemarketfx Limited for the year ended 31 December 2016 which comprise the Income statement, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 13 from the Company accounting records and from information and explanations you have given us.

We are subject to the ethical and other professional requirements of the Institute of Chartered Accountants in England and Wales (ICAEW), which are detailed at <http://www.icaew.com/en/membership/regulations-standards-and-guidance/>.

This report is made solely to the Board of Directors of Freemarketfx Limited, as a body, in accordance with the terms of our engagement letter dated 11 May 2016. Our work has been undertaken solely to prepare for your approval the financial statements of Freemarketfx Limited and state those matters that we have agreed to state to the Board of Directors of Freemarketfx Limited, as a body, in this report in accordance with ICAEW Technical Release TECH07/16AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Freemarketfx Limited and its Board of Directors, as a body, for our work or for this report.

It is your duty to ensure that Freemarketfx Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and profit or loss of Freemarketfx Limited. You consider that Freemarketfx Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or review of the financial statements of Freemarketfx Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.

*Smith & Williamson LLP*

**Smith & Williamson LLP**

Chartered Accountants

1 Bishops Wharf  
Walnut Tree Close  
Guildford  
Surrey  
GU1 4RA

Date: *26 September 2017.*

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**FREEMARKETFX LIMITED**

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**INCOME STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2016**

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	Note	2016 £	2015 £
Turnover		198,718	42,912
Cost of sales		(50,740)	-
<b>Gross profit</b>		<u>147,978</u>	<u>42,912</u>
Administrative expenses		(1,990,093)	(1,001,983)
Other operating income		-	12,115
<b>Operating loss</b>	4	<u>(1,842,115)</u>	<u>(946,956)</u>
Interest receivable and similar income		1,573	1,056
Interest payable and similar expenses		-	(1,276)
<b>Loss before tax</b>		<u>(1,840,542)</u>	<u>(947,176)</u>
<b>Loss for the year</b>		<u><u>£ (1,840,542)</u></u>	<u><u>£ (947,176)</u></u>

The notes on pages 5 to 12 form part of these financial statements.

**FREEMARKETFX LIMITED**  
**REGISTERED NUMBER: 07289573**

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2016**

	Note	2016 £	2016 £	2015 £	2015 £
<b>Fixed assets</b>					
Tangible assets	7		5,723		518
			<u>5,723</u>		<u>518</u>
<b>Current assets</b>					
Debtors: amounts falling due within one year		117,072		1,102,419	
Cash at bank and in hand		369,986		781,793	
		<u>487,058</u>		<u>1,884,212</u>	
Creditors: amounts falling due within one year	9	(285,576)		(252,209)	
<b>Net current assets</b>			<u>201,482</u>		<u>1,632,003</u>
<b>Total assets less current liabilities</b>			<u>207,205</u>		<u>1,632,521</u>
<b>Net assets</b>		£ 207,205		£ 1,632,521	
<b>Capital and reserves</b>					
Called up share capital	10		3,490		3,396
Share premium account			3,590,389		3,175,257
Profit and loss account			(3,386,674)		(1,546,132)
			<u>£ 207,205</u>		<u>£ 1,632,521</u>

The Directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The Directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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

26/9/17



**A Hunn**  
Director

The notes on pages 5 to 12 form part of these financial statements.

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## **FREEMARKETFX LIMITED**

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### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016**

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#### **1. General information**

Freemarketfx Ltd is a private limited company, limited by shares and is incorporated in England and Wales. The company's registered office is 25 Moorgate, London, EC2R 6AY.

#### **2. Accounting policies**

##### **2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

##### **2.2 Turnover**

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

##### **Rendering of services**

Turnover from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of turnover can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

##### **2.3 Tangible fixed assets**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

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## **FREEMARKETFX LIMITED**

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### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016**

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#### **2. Accounting policies (continued)**

##### **2.3 Tangible fixed assets (continued)**

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Office equipment	-	33.33%
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The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Income Statement.

##### **2.4 Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

##### **2.5 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

##### **2.6 Financial instruments**

*The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.*

##### **2.7 Creditors**

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

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## **FREEMARKETFX LIMITED**

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### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016**

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#### **2. Accounting policies (continued)**

##### **2.8 Foreign currency translation**

###### **Functional and presentation currency**

The Company's functional and presentational currency is GBP.

###### **Transactions and balances**

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement except when deferred in other comprehensive income as qualifying cash flow hedges.

##### **2.9 Operating leases**

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

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

The Company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 January 2015 to continue to be charged over the period to the first market rent review rather than the term of the lease.

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## FREEMARKETFX LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

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#### 2. Accounting policies (continued)

##### 2.10 Taxation

Tax is recognised in the Income Statement, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

#### 3. Judgments in applying accounting policies and key sources of estimation uncertainty

No significant judgements have had to be made by the directors in preparing these financial statements.

#### 4. Operating loss

The operating loss is stated after charging:

	2016	2015
	£	£
Depreciation of tangible fixed assets	2,606	560
Exchange differences	492	424
Other operating lease rentals	£ 54,739	£ 52,340

#### 5. Employees

The average monthly number of employees, including directors, during the year was 9 (2015 - 5).

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**FREEMARKETFX LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

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**6. Directors' remuneration**

	2016 £	2015 £
Directors' emoluments	130,000	72,500
	<u>£ 130,000</u>	<u>£ 72,500</u>

**7. Tangible fixed assets**

	Office equipment £
<b>Cost or valuation</b>	
At 1 January 2016	1,682
Additions	7,811
At 31 December 2016	<u>9,493</u>
<b>Depreciation</b>	
At 1 January 2016	1,164
Charge for the year on owned assets	2,606
At 31 December 2016	<u>3,770</u>
<b>Net book value</b>	
At 31 December 2016	<u>£ 5,723</u>
At 31 December 2015	<u>£ 518</u>

The company has allowed its bankers a fixed and a floating charge over the company's assets, its debtors and the undertaking of the company.

**8. Debtors**

	2016 £	2015 £
Other debtors	99,956	1,079,956
Prepayments and accrued income	17,116	22,463

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**FREEMARKETFX LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

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**8. Debtors (continued)**

<u>£</u>	<u>117,072</u>	<u>£</u>	<u>1,102,419</u>
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The company has allowed its bankers a fixed and a floating charge over the company's assets, its debtors and the undertaking of the company.

**9. Creditors: Amounts falling due within one year**

	2016 £	2015 £
Trade creditors	80,299	33,780
Other taxation and social security	12,941	648
Other creditors	173,509	203,642
Accruals and deferred income	18,827	14,139
	<u>£ 285,576</u>	<u>£ 252,209</u>

**10. Share capital**

	2016 £	2015 £
<b>Shares classified as equity</b>		
<b>Allotted, called up and fully paid</b>		
34,897 (2015 - 33,957) Ordinary shares of £0.10 each	<u>£ 3,490</u>	<u>£ 3,396</u>

During the year the Company issued 940 ordinary shares at a premium of £442 per share. The shares were fully paid at the year end.

**11. Commitments under operating leases**

At 31 December 2016 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2016 £	2015 £
Within 1 year	24,052	4,430
	<u>£ 24,052</u>	<u>£ 4,430</u>

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**FREEMARKETFX LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

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**12. Related party disclosures**

During the year consultancy and rent expenses totalling £94,178 (2015 - £56,257) were payable to Preparation Capital Limited, the entity over which Fraser Davidson has a significant control.

During the year consultancy and rent expenses totalling £125,760 (2015 - £73,450) were payable to NPR Technology Limited, an entity in which Rory Bernard and Nick Beitner, the shareholders of the Company, have a significant interest.

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**FREEMARKETFX LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

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**13. First time adoption of FRS 102**

The Company transitioned to FRS 102 from previously extant UK GAAP as at 1 January 2015. The impact of the transition to FRS 102 is as follows:

**Reconciliation of equity at 1 January 2015**

Equity at 1 January 2015 under previous UK GAAP	£ 548,398
<b>Equity shareholders funds at 1 January 2015 under FRS 102</b>	<b>£ 548,398</b>

**Reconciliation of equity at 31 December 2015**

Equity at 31 December 2015 under previous UK GAAP	£ 1,636,927
Accruals and deferred income	(4,406)
<b>Equity shareholders funds at 31 December 2015 under FRS 102</b>	<b>£ 1,632,521</b>

**Reconciliation of profit and loss account for the year ended 31 December 2015**

Profit for the year under previous UK GAAP	£ (942,770)
Staff salaries	(4,406)
<b>Loss for the year ended 31 December 2015 under FRS 102</b>	<b>£ (947,176)</b>