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Company Registration No. 08638719 (England and Wales)

R5FX Limited

Annual report and financial statements
for the year ended 31 December 2017

R5FX Limited

Company information

Directors	Jon Vollemaere	
	Stuart Heath	
	Lord Howard Flight	
	William Cunningham	(Appointed 4 December 2017)
Company number	08638719	
Registered office	Studio 420 Metal Box Factory 30 Great Guildford Street London SE1 0HS	
Independent auditor	Saffery Champness LLP St Catherine's Court Berkeley Place Clifton Bristol BS8 1BQ	

R5FX Limited

Contents

Directors' report
For the year ended 31 December 2017

The directors present their annual report and financial statements for the year ended 31 December 2017.

Principal activities
The principal activity of the company is to provide an interbank electronic trading platform for foreign exchange trading in BRIC, N-11 and other emerging markets.

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

Jon Vollemaere	
Stuart Heath	
Lord Howard Flight	
William Cunningham	(Appointed 4 December 2017)

Auditor
Saffery Champness LLP have expressed their willingness to remain in office as auditors of the company.

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.

Going concern
R5 successfully continues to grow its business in the sometimes difficult London FinTech environment. Whilst still at an early stage of the business the firm has successfully built its first transaction base with repeat daily activity and multiple billion $USD traded. Although sales have dropped in the year they are forecast to increase significantly in the period to 31 December 2019.

It is worth noting that until the company has achieved a break-even point and while it is reliant upon shareholder funding, there are uncertainties that exist for the company. This is however not unusual given the wider FinTech industry and a reflection of a start up company in its early stages. BREXIT and MIFID have also had an unplanned affect on revenue/customer growth.

The reader of our 2017 accounts will see the size of the net loss for the year of (£1,136,133) and in looking at our balance sheet will see the year end cash balance of £377,603.

The company remains at a very early stage of its revenue growth, and tracking closely to previous similar services in its specific industry. The directors have reviewed cashflow forecasts for a period of 12 months from the date of approving the accounts, and the directors' assessment; under advice consider that the going concern basis for preparing the financial statements is appropriate.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board

....
Jon Vollemaere
Director
Date: ...Feb 20 2019...

Directors' responsibilities statement
For the year ended 31 December 2017

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;
- 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.

Independent auditor's report
To the members of R5FX Limited

Opinion

We have audited the financial statements of R5FX Limited (the 'company') for the year ended 31 December 2017 which comprise the income statement, the statement of financial position 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 2017 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.

Emphasis of matter - going concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure in note 1 of the financial statements concerning the company's ability to continue as a going concern.

The company has accumulated losses of £3,359,124 as at 31 December 2017 and cash flow forecasts prepared by management indicate that additional funding is required for the company to continue as a going concern. The directors have confirmed that additional funding will be received enabling the company to continue as a going concern, however until this funding is received there is an indication of a material uncertainty over the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company was unable to continue as a 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

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 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

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.

Saffery Champness LLP

Michael Strong (Senior Statutory Auditor)
for and on behalf of Saffery Champness LLP

14/3/19

Chartered Accountants
Statutory Auditors

St Catherine's Court
Berkeley Place
Clifton
Bristol
BS8 1BQ

R5FX Limited

Income statement
For the year ended 31 December 2017

	Notes	Year ended 31 December 2017 £	Year ended 31 December 2016 as restated £
Turnover		33,581	130,700
Cost of sales		(691,584)	(564,353)
Gross loss		(658,003)	(433,653)
Administrative expenses		(450,245)	(446,808)
Other operating income		785	-
Operating loss	3	(1,107,463)	(880,461)
Interest receivable and similar income		216	3
Interest payable and similar expenses		(28,886)	(22,689)
Loss before taxation		(1,136,133)	(903,147)
Tax on loss		-	-
Loss for the financial year		(1,136,133)	(903,147)

R5FX Limited

Statement of financial position
As at 31 December 2017

	Notes	2017	2017	2016 as restated	2016 as restated
		£	£	£	£
Fixed assets					
Intangible assets	7		162,640		221,149
Tangible assets	6		2,569		4,035
Investments	8		1		1
			165,210		225,185
Current assets					
Debtors	10	584,648		474,357	
Cash at bank and in hand		377,603		485,759	
		962,251		960,116	
Creditors: amounts falling due within one year	11	(716,702)		(889,108)	
Net current assets			245,549		71,008
Total assets less current liabilities			410,759		296,193
Capital and reserves					
Called up share capital	12		2,422		1,599
Share premium account			3,767,461		2,517,585
Profit and loss reserves			(3,359,124)		(2,222,991)
Total equity			410,759		296,193

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on ..feb 20 2019.. and are signed on its behalf by:

....

Jon Vollemaere
Director

Company Registration No. 08638719

1 Accounting policies

Company information

R5FX Limited is a private company limited by shares incorporated in England and Wales. The registered office is Studio 420, Metal Box Factory, 30 Great Guildford Street, London, SE1 OHS.

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 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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. The principal accounting policies adopted are set out below.

1.2 Going concern

These financial statements are prepared on the going concern basis. Since the year end the company has received further investment and at the time of signing the accounts the directors are in the final process of obtaining additional investment which will provide sufficient funding for at least the next 12 months from the date on which the financial statements were approved. The directors are confident of securing the additional funding but acknowledge that without this funding there would be a material uncertainty for the ability of the company to continue as a going concern for 12 months from which the financial statements were approved. These investments will provide working capital to enable the company to achieve its revenue growth projections. In the directors' opinion the investment will enable the company to continue in operation for the foreseeable future.

1.3 Turnover

Turnover represents amounts receivable for services net of trade discounts. No VAT is charged on sales.

1.4 Intangible fixed assets other than goodwill

Computer software costs are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

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:

Computer software	20% straight line basis

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.

1 Accounting policies (continued)

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:

Office equipment	25% reducing balance basis
Computer equipment	25% straight line basis

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.

1.6 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.7 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

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 Accounting policies (continued)

1.8 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and 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.

1.9 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its 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.

Basic financial assets

Basic financial assets, which include debtors, 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.

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.

1 Accounting policies (continued)

1.10 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.

1.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

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.

1.12 Retirement benefits

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

1.13 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.

1.14 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 income statement for the period.

2 Critical accounting 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 Operating loss

Operating loss for the period is stated after charging/(crediting):	2017 £	2016 £
Fees payable to the company's auditor for the audit of the company's financial statements	10,380	10,080

4 Employees

The average monthly number of persons (including directors) employed by the company during the year was 2 (2016 - 5).

5 Taxation

The company has estimated losses of £3,250,000 (2016: £2,150,000) available for carry forward against future trading profits.

6 Tangible fixed assets

	Plant and machinery £
Cost	
At 1 January 2017 and 31 December 2017	7,334
Depreciation and impairment	
At 1 January 2017	3,299
Depreciation charged in the year	1,466
At 31 December 2017	4,765
Carrying amount	
At 31 December 2017	2,569
At 31 December 2016	4,035

7 Intangible fixed assets

	Other
	£
Cost	
At 1 January 2017 and 31 December 2017	292,544
Amortisation and impairment	
At 1 January 2017	71,395
Amortisation charged for the year	58,509
At 31 December 2017	129,904
Carrying amount	
At 31 December 2017	162,640
At 31 December 2016	221,149

8 Fixed asset investments

	2017	2016
	£	£
Investments	1	1

Movements in fixed asset investments

	Shares in group undertakings
	£
Cost or valuation	
At 1 January 2017 & 31 December 2017	1
Carrying amount	
At 31 December 2017	1
At 31 December 2016	1

9 Subsidiaries

Details of the company's subsidiaries at 31 December 2017 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct	% Held Indirect
R5FX PTE Limited	Singapore	To provide an interbank trading platform for foreign exchange trading in BRIC, N11 and other emerging economies.	ordinary	100.00	

10 Debtors

	2017	2016
Amounts falling due within one year:	**£**	**£**
Trade debtors	48,797	29,267
Amounts owed by group undertakings	516,721	428,906
Other debtors	19,130	16,184
	584,648	474,357

11 Creditors: amounts falling due within one year

	Notes	2017 £	2016 £
Trade creditors		168,019	147,762
Other taxation and social security		4,055	3,035
Deferred income		-	3,379
Other creditors		334,642	563,285
Accruals and deferred income		209,986	171,647
		716,702	889,108

12 Called up share capital

	2017	2016
	£	£
Ordinary share capital		
Issued and not fully paid		
242,183 Ordinary shares of 1p each	2,422	1,599

[Where there is unpaid share capital, disclose for each class of share capital the number of shares issued and fully paid, and issued but not fully paid.]

13 Related party transactions

During the period, Jon Vollemaere, a director of the company, advanced £5,095 to the company (2016: £2,768) and made repayments of £3,500 (2016: £nil). At the balance sheet date, the company owed Jon Vollemaere £6,115 (2016: £4,520).

During the period, consultancy fees totalling £3,600 (2016: £7,200) were paid to Lord Howard Flight, a director of the company. At the balance sheet date, the company owed Lord Howard Flight £1,800 (2016: £nil) in respect of these fees.

During the period, consultancy fees totalling £110,924 (2016: £4,860) were paid to Newman Capital Limited, a related party of the company. At the balance sheet date, the company owed Newman Capital Ltd £10,560 (2016: £420) in respect of these fees.

At the year end the company owes Deutsche Borse $550,000 (SGD) (2016: $537,500 SGD) , interest payable on this loan totalled $50,000 (SGD) (2016: $37,500 SGD) at the year end and was charged to the profit and loss account.

At the year the company was owed £516,721 by R5FX PTE Limited, its 100% owned subsidiary.

14 Controlling party

The ultimate controlling party of the company is Jon Vollemaere by virtue of his majority shareholding.

15 Prior period adjustment

£540,962 of professional subscription costs have been re-allocated from administrative expenses to cost of sales as they are directly related to turnover.