

Registered number: 08796945

**Dymon Asia Holdings (UK) Limited**  
**Consolidated Report and Financial Statements**  
**For the year ended 31 December 2016**

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## Dymon Asia Holdings (UK) Limited

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### Company Information

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<b>Directors</b>	Mr Luo Jiabin Mr Wong Mun Hoong
<b>Registered number</b>	08796945
<b>Registered office</b>	4th Floor Reading Bridge House George Street Reading RG1 8LS
<b>Independent auditors</b>	Ernst & Young LLP 25 Churchill Place London E14 5EY
<b>Bankers</b>	Standard Chartered Bank 1 Basinghall Avenue London EC2V 5DD

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## **Dymon Asia Holdings (UK) Limited**

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## Dymon Asia Holdings (UK) 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 audited consolidated financial statements of Dymon Asia Holdings (UK) Limited ("the company") and Dymon Asia Capital (UK) LLP (together "the group") for the year ended 31 December 2016.

#### Principal activity

The principal activity of the company in the year is that of a corporate member to Dymon Asia Capital (UK) LLP ("the LLP"). As a corporate member of the LLP, the company may receive a profit allocation from time to time at the discretion of the LLP.

The group comprises the company and its subsidiary, the LLP. The principal activity of the group during the year was the provision of investment advisory services to Dymon Asia Capital (Singapore) Pte Ltd., an entity incorporated in Singapore, and to affiliated investment vehicles. The parent company is the investor manager of a range of alternative investment vehicles with AUM of USD4.5bn.

There have been no significant changes in these activities in the year and the directors do not anticipate any changes in the overall nature of the group's principal activities in the foreseeable future.

#### Directors

The directors who served during the year and up to the date of this report were:

Mr Luo Jiabin  
Mr Wong Mun Hoong

#### 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 and the group'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 and the group's auditors are aware of that information.

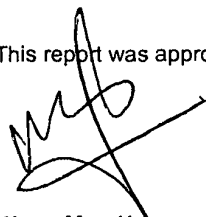
#### Post balance sheet events

There have been no significant events affecting the group since the year end.

#### Auditors

The auditors, Ernst & Young LLP, have indicated their willingness to continue in office. A resolution concerning their reappointment will be proposed at the members' meeting to approve these financial statements.

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



**Wong Mun Hoong**  
Director  
Date: 10 April 2017

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## **Dymon Asia Holdings (UK) Limited**

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### **Statement of Directors' responsibilities For the year ended 31 December 2016**

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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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group 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 including FRS102 have been followed, subject to any material departures disclosed and explained in the financial statements, and;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company or the group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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## **Dymon Asia Holdings (UK) Limited**

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### **Group strategic report For the year ended 31 December 2016**

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The directors present their strategic report in respect of Dymon Asia Holdings (UK) Limited for the year ended 31 December 2016.

#### **Review of the business**

The results for the year and the financial position at the year end were considered satisfactory by the directors. The directors do not anticipate any change in the nature of the company's or the group's principal activity going forward.

#### **Results and dividends**

The group's profit for the year, after taxation and before appropriation to non-controlling interests amounted to \$2,129,488 (2015: \$7,494,479) as shown on page 7. The directors do not propose the payment of any ordinary dividend.

#### **Key performance indicators ("KPIs")**

Given the straightforward nature of the business, the director is of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

#### **Financial risk management**

Given that the group's revenue is entirely derived from the parent undertaking, the group's principal risks relate to the credit default and liquidity risks associated with receipt of income on a timely basis from this counterparty. These risks are managed through regular dialogue with the parent undertaking to ensure that the group maintains sufficient working capital to meet its liabilities as they fall due.

From an operational perspective as the LLP is a regulated entity, the key risk relates to the potential for non-compliance with the regulations issued by the FCA that could lead to the group being subject to a fine or a ban on trading activities. This is managed through regular review of the group's compliance framework by Senior Management.

#### **Functional and presentational currency**

During the year the functional currency of the company and group was changed. Management carried out a review of the underlying performance of the company and group and concluded that the functional currency should be changed from GBP to USD as the company's and group's revenues, profits and cash flows are primarily generated in US dollars, and are expected to remain principally denominated in US dollars in the future. This change has been accounted for prospectively from 1 May 2016.

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## Dymon Asia Holdings (UK) Limited

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### Group strategic report (continued) For the year ended 31 December 2016

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#### Going concern

Whilst the group remains dependent on a single source of revenue from its parent company, the directors are not aware of any reason that this agreement will be terminated in the foreseeable future. The nature of the agreement with the parent entity provides a high degree of certainty that the group will continue to be profitable and, historically, the group has received income in a timely manner in order to manage its obligations (which are relatively predictable in nature).

The future profitability of the parent company and therefore its ability to continue to settle its obligations to the group on a timely basis is dependent on maintaining a consistent level of Assets under Management from which to generate future revenues. Whilst the level of assets under management is subject to market volatility and subject to potential investor redemptions, the funds managed by the parent company have a diversified investor base that protects it in the event of redemption by one or more investors.

Whilst the LLP remains dependent on a single source of revenue from its parent company, the members are not aware of any reason that this agreement will be terminated in the foreseeable future. The nature of the agreement with the parent entity provides a high degree of certainty that the LLP will continue to be profitable and, historically, the LLP has received income in a timely manner in order to manage its obligations (which are relatively predictable in nature).

Based on the factors above, the directors have a reasonable expectation that the group has adequate liquid resources to continue in operational existence and meet its financial liabilities as they fall due for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the directors' report and financial statements.

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



**Wong Mun Hoong**  
Director  
Date: 10 April 2017

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## **Dymon Asia Holdings (UK) Limited**

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### **Independent auditors' report to the shareholders of Dymon Asia Holdings (UK) Limited**

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We have audited the financial statements of Dymon Asia Holdings (UK) Limited ("the company") and its subsidiary (together "the group") for the year ended 31 December 2016 which comprise the Consolidated statement of comprehensive income, Consolidated statement of financial position, Company statement of financial position, Consolidated statement of changes in equity, Company statement of changes in equity, Consolidated statement of cash flows and the related notes 1 to 18. 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, including FRS 102 "The Financial Reporting standard applicable in the UK and Republic of Ireland").

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.

#### **Respective responsibilities of directors and auditor**

As explained more fully in the Statement of Directors' Responsibilities set out on page 2, 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 group's and 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 Directors' report and Group strategic 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 group's and company's affairs as at 31 December 2016 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 Group strategic report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.



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## Dymon Asia Holdings (UK) Limited

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### Independent auditors' report to the shareholders of Dymon Asia Holdings (UK) Limited

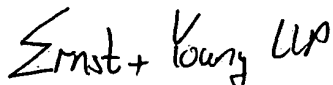
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#### Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic Report or 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 by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- the company's 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.



Neil Parker (Senior Statutory Auditor)  
For and on behalf of Ernst & Young LLP, Statutory Auditor

London

Date: 13 April 2017

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## Dymon Asia Holdings (UK) Limited

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### Consolidated statement of comprehensive income For the year ended 31 December 2016

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	Note	2016 \$	(restated) 2015 \$
Turnover	3	5,879,688	13,433,157
Administrative expenses		(3,727,890)	(5,175,330)
<b>Operating profit</b>	4	<b>2,151,798</b>	<b>8,257,827</b>
Taxation on profit on ordinary activities	7	(22,310)	(763,348)
<b>Profit for the financial year</b>		<b>2,129,488</b>	<b>7,494,479</b>
Currency translation differences	14	39,788	(231,406)
<b>Total comprehensive income for the year</b>		<b>2,169,276</b>	<b>7,263,073</b>
<b>Profit for the year attributable to:</b>			
Non-controlling interests		1,798,468	4,514,345
Owners of the parent company		331,020	2,980,134
		<b>2,129,488</b>	<b>7,494,479</b>
<b>Total comprehensive income for the year attributable to:</b>			
Non-controlling interests		1,798,468	4,514,345
Owners of the parent company		370,808	2,748,728
		<b>2,169,276</b>	<b>7,263,073</b>

All amounts relate to continuing operations.

The notes on pages 13 to 22 form part of these financial statements.

**Dymon Asia Holdings (UK) Limited**  
Registered number: 08796945

**Consolidated statement of financial position**  
**As at 31 December 2016**

		2016	(restated) 2015	Opening 2015
		\$	\$	\$
<b>Fixed assets</b>	<b>Note</b>			
Tangible assets	9	512,898	237,570	216,487
		<u>512,898</u>	<u>237,570</u>	<u>216,487</u>
<b>Current assets</b>				
Debtors	11	349,905	3,384,915	1,627,027
Cash at bank and in hand		4,270,444	5,741,382	751,912
		<u>4,620,349</u>	<u>9,126,297</u>	<u>2,378,939</u>
Creditors: Amounts falling due within one year	12	(2,728,244)	(1,891,291)	(766,917)
<b>Net current assets</b>		<u>1,892,105</u>	<u>7,235,006</u>	<u>1,612,022</u>
<b>Total assets less current liabilities</b>		<u>2,405,003</u>	<u>7,472,576</u>	<u>1,828,509</u>
<b>Net assets</b>		<u>2,405,003</u>	<u>7,472,576</u>	<u>1,828,509</u>
<b>Capital and reserves</b>				
Called up share capital	13	273,334	273,334	273,334
Profit and loss account		1,124,307	3,500,597	520,463
Foreign currency revaluation reserve	14	(285,062)	(324,850)	(93,444)
<b>Equity attributable to owners of the parent company</b>		<u>1,112,579</u>	<u>3,449,081</u>	<u>700,353</u>
Non-controlling interests		<u>1,292,424</u>	<u>4,023,495</u>	<u>1,128,156</u>
		<u>2,405,003</u>	<u>7,472,576</u>	<u>1,828,509</u>

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

  
**Wong Mun Hoong**  
Director  
Date: 10 April 2017

The profit after tax of the company for the year was \$331,020 (2015 - \$2,980,134).

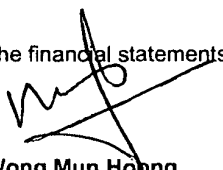
The notes on pages 13 to 22 form part of these financial statements.

**Dymon Asia Holdings (UK) Limited**  
Registered number: 08796945

**Company statement of financial position**  
**As at 31 December 2016**

	Note	2016 \$	(restated) 2015 \$	Opening 2015 \$
<b>Fixed assets</b>				
Investments	10	1,076,649	642,939	272,064
		<u>1,076,649</u>	<u>642,939</u>	<u>272,064</u>
<b>Current assets</b>				
Debtors	11	169,424	3,611,947	617,536
Cash at bank and in hand		5,721	94,873	6,527
		<u>172,145</u>	<u>3,706,820</u>	<u>624,063</u>
Creditors: Amounts falling due within one year	12	(142,151)	(751,820)	(153,033)
		<u>32,994</u>	<u>2,955,000</u>	<u>471,030</u>
<b>Net current assets</b>				
<b>Total assets less current liabilities</b>		<u>1,109,643</u>	<u>3,597,939</u>	<u>743,094</u>
<b>Net assets</b>		<u>1,109,643</u>	<u>3,597,939</u>	<u>743,094</u>
<b>Capital and reserves</b>				
Called up share capital	13	273,334	273,334	273,334
Profit and loss account		1,094,197	3,470,487	490,353
Foreign currency revaluation reserve	14	(257,888)	(145,882)	(20,593)
		<u>1,109,643</u>	<u>3,597,939</u>	<u>743,094</u>

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

  
**Wong Mun Hoong**  
Director  
Date: 10 April 2017

The notes on pages 13 to 22 form part of these financial statements

## Dymon Asia Holdings (UK) Limited

### Consolidated statement of changes in equity As at 31 December 2015 (restated)

	Share capital \$	Retained earnings \$	Foreign currency revaluation reserve \$	Equity attributable to owners of parent company \$	Non- controlling interests \$	Total equity \$
At 1 January 2015 (restated)	273,334	520,463	(93,444)	700,353	1,128,156	1,828,509
<b>Comprehensive income for the year</b>						
Profit for the year	-	2,980,134	-	2,980,134	4,514,345	7,494,479
Other comprehensive income for the year	-	-	(231,406)	(231,406)	-	(231,406)
<b>Total comprehensive income for the year (restated)</b>	<b>273,334</b>	<b>3,500,597</b>	<b>(324,850)</b>	<b>3,449,081</b>	<b>5,642,501</b>	<b>9,091,582</b>
Distribution to non- controlling interests	-	-	-	-	(1,619,006)	(1,619,006)
At 31 December 2015 (restated)	<u>273,334</u>	<u>3,500,597</u>	<u>(324,850)</u>	<u>3,449,081</u>	<u>4,023,495</u>	<u>7,472,576</u>

### Consolidated statement of changes in equity As at 31 December 2016

	Share capital \$	Retained earnings \$	Foreign currency revaluation reserve \$	Equity attributable to owners of parent company \$	Non- controlling interests \$	Total equity \$
At 1 January 2016 (restated)	273,334	3,500,597	(324,850)	3,449,081	4,023,495	7,472,576
<b>Comprehensive income for the year</b>						
Profit for the year	-	331,020	-	331,020	1,798,468	2,129,468
Other comprehensive income for the year	-	-	39,788	39,788	-	39,788
<b>Total comprehensive income for the year</b>	<b>273,334</b>	<b>3,831,617</b>	<b>(285,062)</b>	<b>3,819,889</b>	<b>5,821,963</b>	<b>9,641,852</b>
Dividends payable during the year	-	(2,707,310)	-	(2,707,310)	-	(2,707,310)
Distribution to non- controlling interests	-	-	-	-	(4,529,539)	(4,529,539)
At 31 December 2016	<u>273,334</u>	<u>1,124,307</u>	<u>(285,062)</u>	<u>1,112,579</u>	<u>1,292,424</u>	<u>2,405,003</u>

The notes on pages 13 to 22 form part of these financial statements.

## Dymon Asia Holdings (UK) Limited

### Company statement of changes in equity As at 31 December 2015 (restated)

	Share capital \$	Retained earnings \$	Foreign currency revaluation reserve \$	Total equity \$
At 1 January 2015 (restated)	273,334	490,353	(20,593)	743,094
<b>Comprehensive income for the year</b>				
Profit for the year	-	2,980,134	-	2,980,134
Other comprehensive income for the year	-	-	(125,289)	(125,289)
<b>Total comprehensive income for the year (restated)</b>	<b>273,334</b>	<b>3,470,487</b>	<b>(145,882)</b>	<b>3,597,939</b>
Dividends payable during the year	-	-	-	-
At 31 December 2015 (restated)	<u>273,334</u>	<u>3,470,487</u>	<u>(145,882)</u>	<u>3,597,939</u>

### Company statement of changes in equity As at 31 December 2016

	Share capital \$	Retained earnings \$	Foreign currency revaluation reserve \$	Total equity \$
At 1 January 2016 (restated)	273,334	3,470,487	(145,882)	3,597,939
<b>Comprehensive income for the year</b>				
Profit for the year	-	331,020	-	331,020
Other comprehensive income for the year	-	-	(112,006)	(112,006)
<b>Total comprehensive income for the year</b>	<b>273,334</b>	<b>3,801,507</b>	<b>(257,888)</b>	<b>3,816,953</b>
Dividends payable during the year	-	(2,707,310)	-	(2,707,310)
At 31 December 2016	<u>273,334</u>	<u>1,094,197</u>	<u>(257,888)</u>	<u>1,109,643</u>

The notes on pages 13 to 22 form part of these financial statements.

## Dymon Asia Holdings (UK) Limited

### Consolidated statement of cash flows For the year ended 31 December 2016

	Year ended 31 December 2016 \$	Year ended 31 December 2015 \$
<b>Cash flows from operating activities</b>		
Profit for the financial year	2,129,488	7,494,479
<b>Adjustments for:</b>		
Depreciation of tangibles	103,340	67,794
Taxation	22,310	763,348
Decrease/(increase) in debtors	64,438	(52,965)
Decrease/(increase) in amounts owed by parent undertaking	4,985,953	(1,704,923)
(Decrease)/increase in creditors	(272,676)	505,939
Foreign exchange translation	43,128	(220,116)
Tax paid	(928,062)	(144,913)
<b>Net cash generated from operating activities</b>	<b>6,147,923</b>	<b>6,708,643</b>
<b>Cash flows used in investing activities</b>		
Purchase of tangible fixed assets	(382,012)	(100,167)
<b>Net cash used in investing activities</b>	<b>(382,012)</b>	<b>(100,167)</b>
<b>Cash flows used in financing activities</b>		
Dividends paid to owners of the parent	(2,707,310)	-
Amounts distributed to non-controlling interests	(4,529,539)	(1,619,006)
<b>Net cash used in financing activities</b>	<b>(7,236,849)</b>	<b>(1,619,006)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(1,470,938)</b>	<b>4,989,470</b>
Cash and cash equivalents at beginning of year	5,741,382	751,912
<b>Cash and cash equivalents at the end of year</b>	<b>4,270,444</b>	<b>5,741,382</b>

The notes on pages 13 to 22 form part of these financial statements.

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## Dymon Asia Holdings (UK) Limited

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### Notes to the financial statements For the year ended 31 December 2016

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#### 1. Accounting policies

##### 1.1 General information

Dymon Asia Holdings (UK) Limited is a limited company incorporated in the United Kingdom. The address of its registered office is 4<sup>th</sup> Floor, Reading Bridge House, George Street, Reading, RG1 8LS.

##### 1.2 Basis of preparation of financial statements

The financial statements have been prepared on the going concern basis under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the requirements of the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It requires management to exercise judgement in applying the group's and the company's accounting policies (see note 2).

##### 1.3 Basis of consolidation

The consolidated financial statements present the results of the company and its subsidiaries ("the group") as they formed a single entity. Intercompany transactions and balances between group companies are eliminated on consolidation.

Subsidiaries are consolidated from the date of their acquisition, being the date on which the group obtains control and continue to be consolidated until the date that such control ceases. Control comprises the power to govern the financial and operating policies of the investee so as to obtain benefit from its activities.

##### 1.4 Going concern

The group and the company have adequate financial resources and as a consequence, the directors believe that the group and the company are well placed to manage its business risks successfully.

The directors have a reasonable expectation that the group and company has adequate resources to continue in operational existence and meet its liabilities as they fall due for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the directors' report and financial statements.

##### 1.5 Revenue

Revenue is recognised on an accruals basis to the extent that it is probable that the economic benefits will flow to the group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Revenue represents fees receivable for investment advisory services provided to Dymon Asia Capital (Singapore) Pte Ltd, a related entity registered in Singapore.



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## Dymon Asia Holdings (UK) Limited

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### Notes to the financial statements For the year ended 31 December 2016

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#### 1. Accounting policies (continued)

##### 1.6 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.

The group adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the group. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to statement of comprehensive income during the period in which they are incurred.

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. The estimated useful lives range as follows:

Leasehold improvements	-	term of the lease ending January 2019
Fixtures and fittings	-	5 years straight line
Computer and office equipment	-	4 years straight line

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 within 'other operating income' in the statement of comprehensive income.

##### 1.7 Administrative and operating leases

All administrative expenses of the group are recognised on an accruals basis.

Rentals payable under operating leases are charged to the statement of comprehensive income on a straight line basis over the period of the lease.

##### 1.8 Investments in subsidiaries

Investments in subsidiaries are measured at cost less accumulated impairment. Any impairment during the year is recognised in the statement of comprehensive income.

##### 1.9 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.

In the consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the company's cash management.

##### 1.10 Debtors

Short-term debtors are measured at transaction price, less any impairment.

##### 1.11 Creditors

Short-term creditors are measured at the transaction price.

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## Dymon Asia Holdings (UK) Limited

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### Notes to the financial statements For the year ended 31 December 2016

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#### 1. Accounting policies (continued)

##### 1.12 Foreign currency translation

The company's functional and presentational currency is United States dollars (see note 1.15).

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 statement of comprehensive income.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the statement of comprehensive income within 'other operating income'.

##### 1.13 Taxation

Taxation is recognised as an expense in the statement of comprehensive income, except where a tax charge is attributable to an item of income or expense recognised as other comprehensive income or to an item recognised directly in equity, in these circumstances tax 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 reporting date in the countries where the company and the group operate and generate income. Current tax is the expected tax payable or receivable on the taxable income or loss for the year using tax rates enacted or substantively enacted at the statement of financial position date and any adjustment to tax payable in respect of the previous years.

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the statement of financial position 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. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

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## Dymon Asia Holdings (UK) Limited

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### Notes to the financial statements For the year ended 31 December 2016

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#### 1. Accounting policies (continued)

##### 1.14 Minority interests

The proportion of the net assets of the group attributable to minority interests is recognised in the statement of financial position. This balance represents the proportion of the capital introduced by the minority interest along with the aggregate value of any amounts due to or from minority interests and any residual profits to which the minority interests are entitled.

The proportion of the profits of the group allocated to minority interests is recognised in the statement of comprehensive income. Profits are allocated to minority interests by the company's subsidiary undertaking on a discretionary basis. Accordingly, the proportion of the profits allocated to minority interests may differ from the overall proportion of capital held by the minority interest.

##### 1.15 Presentation and functional currency

During the year the functional currency of the group was changed. Management carried out a review of the underlying performance of the group and concluded that the functional currency should be changed from GBP to USD as the group's revenues, profits and cash flows are primarily generated in US dollars, and are expected to remain principally denominated in US dollars in the future. This change has been accounted for prospectively from 1 May 2016.

During the year, the group also changed the currency in which it presents its financial statements from pounds sterling to US dollars, to bring the presentation currency in line with the functional currency.

A change in the presentation currency is a change in accounting policy which is accounted for retrospectively. Statutory financial information included in the group strategic report and financial statements for the year ended 31 December 2015 previously reported in pound sterling has been restated into US dollars using the procedures outlined below:

- assets and liabilities denominated in non-US dollar currencies were translated into US dollars at the closing rates of exchange on the relevant statement of financial position date;
- non-US dollar income and expenditure were translated at the average rates of exchange prevailing for the relevant period;
- capital introduced by members and other reserves were translated at the historic rates prevailing at the date they were accounted for;
- all exchange rates were extracted from the group's underlying financial records;
- all resulting exchange differences were recognised in other comprehensive income.

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## Dymon Asia Holdings (UK) Limited

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### Notes to the financial statements For the year ended 31 December 2016

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#### 2 Judgements in applying accounting policies and key sources of estimation uncertainty

In applying the group's and the company's accounting policies, the directors are required to make judgements, estimates and assumptions in determining the carrying amounts of assets and liabilities. The directors' judgements, estimates and assumptions are based on the best and most reliable evidence available at the time when the decisions are made, and are based on historical experience and other factors that are considered to be applicable. Due to the inherent subjectivity involved in making such judgements, estimates and assumptions, the actual results and outcomes may differ.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised, if the revision affects only that year, or in the year of revision and future years, if the revision affects both current and future years.

##### 2.1 Critical judgements in applying the company's accounting policies

The critical judgements that the directors have made in the process of applying the group's and the company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements are discussed below.

##### *Consolidation and treatment of minority interests*

Recognition of proportion of profits and net assets attributable to minority interests.

##### 2.2 Key sources of estimation uncertainty

The directors' estimates are based on the evidence available at the time; including historical experience and other factors that are considered to be applicable. Due to the inherent subjectivity involved in making such estimates, the actual results and outcomes may differ. Estimates are reviewed on an on-going basis and revisions to accounting estimates are recognised in the year in which the estimate is revised.

The directors are not aware of any significant sources of estimation uncertainty in the preparation of the financial statements.

#### 3. Analysis of turnover

Turnover represents advisory fees derived from Singapore arising from continuing activities in the United Kingdom.

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## Dymon Asia Holdings (UK) Limited

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### Notes to the financial statements For the year ended 31 December 2016

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#### 4. Operating profit

The operating profit of the group is stated after charging/(crediting):

	2016 \$	2015 \$
Depreciation of tangible fixed assets	103,340	67,794
Fees payable to the group's auditor for the audit of the company's annual accounts	10,289	8,820
Fees payable to the group's auditor for the audit of the subsidiary's annual accounts	21,734	22,242
Operating lease rentals:		
- Land and buildings	60,827	36,232
Exchange differences	<u>296,003</u>	<u>25,869</u>

The auditor did not receive any remuneration in respect of any non-audit services during the year (2015: \$nil).

#### 5. Employees

Staff costs were as follows:

	2016 \$	2015 \$
Wages and salaries	1,461,778	1,556,978
Social security costs	<u>194,536</u>	<u>198,000</u>
	<u>1,656,314</u>	<u>1,754,978</u>

Key management personnel comprises the directors of the company only. Total compensation paid to key management personnel is therefore disclosed in note 6.

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

	2016 No.	2015 No.
Investment Advisory	5	5
Management	<u>2</u>	<u>2</u>
	<u>7</u>	<u>7</u>

#### 6. Directors' remuneration

During the year, no directors received any remuneration (2015 - \$nil) in respect of services provided to the company.

The remuneration of the Directors of the company is borne by the company's parent undertaking and has not been recharged to the company. The costs associated with the services that the Directors provide to the company are considered to represent a small proportion of the overall responsibilities performed by these Directors on behalf of the wider group and, accordingly, it is not considered feasible to allocate a proportion of each Director's overall remuneration to the company.

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## Dymon Asia Holdings (UK) Limited

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### Notes to the financial statements For the year ended 31 December 2016

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#### 7. Taxation

	2016 \$	2015 \$
<b>UK corporation tax at 20% (2015: 20.25%)</b>		
Current tax on profits for the year	87,030	763,348
Foreign exchange adjustment on tax balance	(64,720)	-
<b>Total current tax</b>	<b>22,310</b>	<b>763,348</b>
<b>Taxation on profit on ordinary activities</b>	<b>22,310</b>	<b>763,348</b>

#### Factors affecting tax charge for the year

The tax assessed for the year is lower than the standard rate of corporation tax in the UK of 20% (2015 -20.25%). The differences are explained below:

	2016 \$	2015 \$
Profit on ordinary activities before tax	<u>2,151,798</u>	<u>8,257,827</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 -20.25%)	430,360	1,672,210
<b>Effects of:</b>		
Expenses not deductible for tax purposes	3,496	6,475
Movement in unrecognised deferred tax	12,868	5,461
Adjustment for minority interests	(359,694)	(920,798)
Foreign exchange	(64,720)	-
<b>Total tax charge for the year</b>	<b>22,310</b>	<b>763,348</b>

A deferred tax liability of \$2,218 (2015: \$437 asset) is not being recognised in relation to timing differences, as the directors are of the opinion that the amount is immaterial.

#### Factors that may affect future tax charges

The Government previously announced its intention to reduce the main corporation tax rate to 19% from 1 April 2017 and then to 17% from 1 April 2020. The announced rate reductions to 17% by 1 April 2020 have been substantively enacted by the statement of financial position date and have been reflected above where appropriate.

#### 8. Company profit for the year

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of comprehensive income in these financial statements. The profit after tax of the company for the year was \$331,020 (2015 - \$2,980,134).

## Dymon Asia Holdings (UK) Limited

### Notes to the financial statements For the year ended 31 December 2016

#### 9. Tangible fixed assets

##### Group

	Leasehold improvements \$	Fixtures and fittings \$	Computer and office equipment \$	Total \$
<b>Cost</b>				
At 1 January 2016	98,755	65,865	179,846	344,466
Foreign exchange differences	(1,281)	(855)	(2,331)	(4,467)
Additions	335,899	16,326	29,787	382,012
<b>At 31 December 2016</b>	<b>433,373</b>	<b>81,336</b>	<b>207,302</b>	<b>722,011</b>
<b>Depreciation</b>				
At 1 January 2016	35,838	17,128	53,930	106,896
Foreign exchange differences	(390)	(180)	(553)	(1,123)
Charge for the period	46,234	14,136	42,970	103,340
<b>At 31 December 2016</b>	<b>81,682</b>	<b>31,084</b>	<b>96,347</b>	<b>209,113</b>
<b>Net book Value</b>				
<b>At 31 December 2016</b>	<b>351,691</b>	<b>50,252</b>	<b>110,955</b>	<b>512,898</b>
At 31 December 2015	62,917	48,737	125,916	237,570

#### 10. Fixed asset investments

##### Company

	Subsidiary undertaking \$
<b>Cost or valuation</b>	
At 1 January 2016	642,939
Additions	433,710
<b>At 31 December 2016</b>	<b>1,076,649</b>

The investment represents the company's interest in its UK subsidiary undertaking, Dymon Asia Capital (UK) LLP ("the LLP"), in which it holds 85% of the voting rights. The nature of the subsidiary's business is the provision of investment advisory services to Dymon Asia Capital (Singapore) Pte Ltd, an entity incorporated in Singapore. The LLP is domiciled in England with registered office and principal place of business being 1<sup>st</sup> Floor Union House, 12-16 St Michaels Street, Oxford, OX1 2DU.

The directors believe that the carrying value of the investment is supported by its underlying assets.

## Dymon Asia Holdings (UK) Limited

### Notes to the financial statements For the year ended 31 December 2016

#### 11. Debtors

	Group 2016 \$	Group 2015 \$	Company 2016 \$	Company 2015 \$
<b>Due after more than one year</b>				
Rent deposit	18,635	22,354	-	-
	<u>18,635</u>	<u>22,354</u>	<u>-</u>	<u>-</u>
<b>Due within one year</b>				
Amounts owed by related party undertakings	-	3,139,604	-	-
Amounts owed by group undertakings	-	-	-	3,611,428
Other debtors	89,131	95,092	391	518
Corporation tax	169,032	-	169,032	-
Amount owed by parent undertaking	1	1	1	1
Prepayments	73,102	127,864	-	-
	<u>349,905</u>	<u>3,384,915</u>	<u>169,424</u>	<u>3,611,947</u>

#### 12. Creditors: Amounts falling due within one year

	Group 2016 \$	Group 2015 \$	Company 2016 \$	Company 2015 \$
Trade creditors	48,089	107,487	-	-
Amounts owed to related party undertakings	1,846,349	-	-	-
Amounts owed to group undertakings	-	-	126,539	-
Corporation tax	-	736,720	-	736,720
Other creditors	-	71,053	-	-
Accruals and deferred income	833,806	976,031	15,612	15,100
	<u>2,728,244</u>	<u>1,891,291</u>	<u>142,151</u>	<u>751,820</u>

#### 13. Share capital

	2016 \$	2015 \$
<b>Allotted, called up and fully paid</b>		
161,001 (2015: 161,001) - ordinary shares of £1 each	<u>273,334</u>	<u>273,334</u>

#### 14. Foreign currency translation reserve

The foreign currency reserve arose on the retranslation of the group's assets and liabilities following the change in the presentation and functional currency.

	Group 2016 \$	Group 2015 \$	Company 2016 \$	Company 2015 \$
At 1 January	(324,850)	(93,444)	(145,882)	(20,593)
Exchange differences on retranslation	39,788	(231,406)	(112,006)	(125,289)
<b>At 31 December</b>	<u>(285,062)</u>	<u>(324,850)</u>	<u>(257,888)</u>	<u>(145,882)</u>



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## Dymon Asia Holdings (UK) Limited

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### Notes to the financial statements For the year ended 31 December 2016

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#### 15. Commitments under operating leases

At 31 December 2016 the group had minimum future total commitments under non-cancellable operating leases as follows:

	Group 2016 \$	Group 2015 \$
Not later than 1 year	95,408	64,424
Later than 1 year and not later than 5 years	95,408	128,848
<b>Total</b>	<b><u>190,816</u></b>	<b><u>193,272</u></b>

#### 16. Related party transactions

During the year, the group charged investment advisory fees of \$5,879,688 (2015: \$13,433,156) to Dymon Asia Capital (Singapore) Pte Ltd, an entity registered in Singapore and under common control. In addition during the year, Dymon Asia Capital (Singapore) Pte Ltd charged the group a service fee amounting to \$611,529 (2015: \$2,031,000). As at 31 December 2016, a net amount of \$1,846,349 (2015: receivable \$3,139,604) was payable to Dymon Asia Capital (Singapore) Pte Ltd.

#### 17. Key management personnel

The directors have the authority and responsibility for planning, directing and controlling the activities of the group and the company and are considered to be the company's only key management personnel. Total remuneration in respect of these individuals is disclosed in Note 6.

#### 18. Ultimate parent undertaking and controlling party

The company's parent and ultimate controlling entity is Dymon Asia Capital Ltd, a limited company registered in Cayman Islands. The address of the parent company is Walker House, 87 Mary Street, George Town, Grand Cayman, KY1-9002, Cayman Islands.

The largest and smallest group of undertakings for which consolidated accounts have been drawn up which include the company is headed by Dymon Asia Capital Ltd.