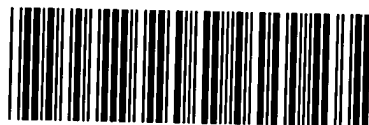


STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017
FOR
EXNESS (UK) LTD
PREVIOUSLY KNOWN AS EXNESS EUROPE LIMITED

SATURDAY



A05 *A7A5ZL9T* #303
14/07/2018
COMPANIES HOUSE

EXNESS (UK) LTD
PREVIOUSLY KNOWN AS EXNESS EUROPE LIMITED

CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

	Page
Company Information	1
Strategic Report	2
Report of the Directors	3
Report of the Independent Auditors	5
Statement of Comprehensive Income	7
Statement of Financial Position	8
Statement of Changes in Equity	9
Statement of Cash Flows	10
Notes to the Financial Statements	11

EXNESS (UK) LTD
PREVIOUSLY KNOWN AS EXNESS EUROPE LIMITED

COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2017

DIRECTORS:

P Valov
D R Morris

REGISTERED OFFICE:

107 Cheapside
London
EC2V 6DN

REGISTERED NUMBER:

08861481 (England and Wales)

AUDITORS:

AGK Partners
Chartered Accountants & Statutory Auditors
1 Kings Avenue
London
N21 3NA

EXNESS (UK) LTD
PREVIOUSLY KNOWN AS EXNESS EUROPE LIMITED

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2017

The directors present their strategic report for the year ended 31 December 2017.

REVIEW OF BUSINESS

The principal activity of Exness (UK) Ltd ("the Company") is that of the provision of investments services in relation to foreign exchange and contracts for difference ("CFDs").

During 2017, the company continued to prepare for the launch of the UK business and launched operations in April 2018.

The company is authorised and regulated by the Financial Conduct Authority ("FCA").

During 2017, the company applied to the FCA for a variation of permission and became an IFPRU €730K firm (CRD IV Full Scope) on 9 June 2017. The main business of the company has not changed from the previous model, with the exception that the company is now authorised to take own account positions as a principal firm without the matched limitation.

In December 2017, the ultimate beneficial owners agreed to remove Exness Global Limited (CY) as parent undertaking and have notified the FCA of the change of controller accordingly, which leaves the ultimate beneficial owners in direct ownership of the company.

At this time, there are no relevant KPIs to report.

PRINCIPAL RISKS AND UNCERTAINTIES

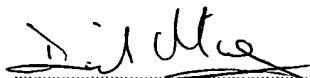
The principal risks affecting the company are regulatory, operational and technological. The Directors mitigate these risks through stringent controls and processes. The company is capitalised well in excess of the regulatory capital requirements and having not commenced operations, is well placed to adjust to the forthcoming changes in the regulatory landscape that may affect the company.

The Board of Directors have established the business strategy and has implemented an overall risk management framework for the company. The overall risk framework has been established through instructions and policies that set the scope for the firm's risk-taking activities. Risk registers and reporting policies ensure that each risk area is monitored, which is reflected in the firm's governance, controls and activities.

FUTURE DEVELOPMENT

With a strong balance sheet, and wealth of digital and technological expertise within Exness entities, the company is well placed to grow the business within the evolving regulatory environment. The board remains confident the business can grow organically in the year ahead.

ON BEHALF OF THE BOARD:


D R Morris - Director

Date: 23 April 2018

EXNESS (UK) LTD
PREVIOUSLY KNOWN AS EXNESS EUROPE LIMITED

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2017

The directors present their report with the financial statements of the company for the year ended 31 December 2017.

CHANGE OF NAME

The company passed a special resolution on 9 October 2017 changing its name from Exness Europe Limited to Exness (UK) Ltd.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2017 to the date of this report.

P Valov
D R Morris

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2017.

EVENTS SINCE THE BALANCE SHEET DATE

Information relating to events since the end of the financial year is given in the note 15 of the financial statements.

DISCLOSURE IN THE STRATEGIC REPORT

Information relating to the following areas have been disclosed in the strategic report:

- Review of the business
- Principal activities of the company

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

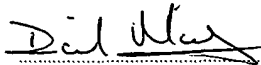
EXNESS (UK) LTD
PREVIOUSLY KNOWN AS EXNESS EUROPE LIMITED

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2017

AUDITORS

The auditors, AGK Partners, have signified their willingness to continue in office as auditors.

ON BEHALF OF THE BOARD:


.....

D R Morris - Director

Date: 23 April 2018

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
EXNESS (UK) LTD
PREVIOUSLY KNOWN AS EXNESS EUROPE LIMITED

Opinion

We have audited the financial statements of Exness (UK) Ltd (the 'company') for the year ended 31 December 2017 on pages seven to sixteen. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors 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.

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and 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, 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.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have 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 Strategic Report or the Report of the Directors.

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.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
EXNESS (UK) LTD
PREVIOUSLY KNOWN AS EXNESS EUROPE LIMITED

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page three, 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 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.

Our 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 a Report of the Auditors 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 www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.



Michael David Marcus (Senior Statutory Auditor)
for and on behalf of AGK Partners
Chartered Accountants & Statutory Auditors
1 Kings Avenue
London
N21 3NA

Date: 24 April 2018

EXNESS (UK) LTD
PREVIOUSLY KNOWN AS EXNESS EUROPE LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	2017 £	2016 £
Administrative expenses	4	<u>661,064</u>	<u>348,145</u>
LOSS BEFORE TAXATION		(661,064)	(348,145)
Tax on loss	7	<u>-</u>	<u>-</u>
LOSS FOR THE FINANCIAL YEAR		(661,064)	(348,145)
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		<u>(661,064)</u>	<u>(348,145)</u>

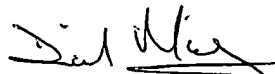
The notes on pages 11 to 16 form part of these financial statements

EXNESS (UK) LTD
PREVIOUSLY KNOWN AS EXNESS EUROPE LIMITED

STATEMENT OF FINANCIAL POSITION
31 DECEMBER 2017

	Notes	2017 £	2016 £
FIXED ASSETS			
Property, plant and equipment	8	2,747	-
CURRENT ASSETS			
Debtors	9	152,875	81,080
Cash at bank	13	<u>1,478,835</u>	<u>2,279,709</u>
		1,631,710	2,360,789
CREDITORS			
Amounts falling due within one year	10	<u>33,176</u>	<u>98,444</u>
NET CURRENT ASSETS		<u>1,598,534</u>	<u>2,262,345</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u><u>1,601,281</u></u>	<u><u>2,262,345</u></u>
CAPITAL AND RESERVES			
Called up share capital	11	2,748,014	2,748,014
Retained earnings	12	<u>(1,146,733)</u>	<u>(485,669)</u>
SHAREHOLDERS' FUNDS		<u><u>1,601,281</u></u>	<u><u>2,262,345</u></u>

The financial statements were approved by the Board of Directors on 23 April 2018 and were signed on its behalf by:



.....
D R Morris- Director
Company registration number- 08861481

The notes on pages 11 to 16 form part of these financial statements

EXNESS (UK) LTD
PREVIOUSLY KNOWN AS EXNESS EUROPE LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 January 2016	133,100	(137,524)	(4,424)
Changes in equity			
Issue of share capital (note 11)	2,614,914	-	2,614,914
Loss and total comprehensive loss for the year	<u>-</u>	<u>(348,145)</u>	<u>(348,145)</u>
Balance at 31 December 2016	<u>2,748,014</u>	<u>(485,669)</u>	<u>2,262,345</u>
Changes in equity			
Loss and total comprehensive loss for the year	<u>-</u>	<u>(661,064)</u>	<u>(661,064)</u>
Balance at 31 December 2017	<u><u>2,748,014</u></u>	<u><u>(1,146,733)</u></u>	<u><u>1,601,281</u></u>

The notes on pages 11 to 16 form part of these financial statements

EXNESS (UK) LTD
PREVIOUSLY KNOWN AS EXNESS EUROPE LIMITED

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	2017 £	2016 £
Cash flows from operating activities			
Loss before taxation		(661,064)	(348,145)
Depreciation charges	4	196	-
(Increase) in trade and other debtors		(71,795)	(79,903)
(Decrease)/ increase in trade and other creditors		<u>(65,268)</u>	<u>91,349</u>
Net cash from operating activities		<u>(797,931)</u>	<u>(336,699)</u>
Cash flows from investing activities			
Purchase of tangible fixed assets	8	<u>(2,943)</u>	<u>-</u>
Net cash from investing activities		<u>(2,943)</u>	<u>-</u>
Cash flows from financing activities			
Share issue	11	<u>-</u>	<u>2,614,914</u>
Net cash from financing activities		<u>-</u>	<u>2,614,914</u>
(Decrease)/increase in cash and cash equivalents		(800,874)	2,278,215
Cash and cash equivalents at beginning of year	13	<u>2,279,709</u>	<u>1,494</u>
Cash and cash equivalents at end of year	13	<u><u>1,478,835</u></u>	<u><u>2,279,709</u></u>

The notes on pages 11 to 16 form part of these financial statements

EXNESS (UK) LTD
PREVIOUSLY KNOWN AS EXNESS EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

1. GENERAL INFORMATION

Exness (UK) Ltd is a private company, limited by shares, registered in England and Wales. The company's registered office address is 107 Cheapside, London, EC2V 6DN.

The principal activity of Exness (UK) Ltd ("the Company") is that of the provision of investments services in relation to foreign exchange and contracts for difference ("CFDs").

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The Financial Statements of the company are presented in its functional currency, Sterling, on the basis that this represents the currency of the primary economic environment in which it operates.

Significant judgements and estimates

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.

There are no significant judgements and estimates in the financial statements for the year ended 31 December 2017.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently to all years presented, unless otherwise stated.

Going concern

The directors have reasonable expectation that on the basis of the financial support from its owners, the company can continue to be in operational existence for the foreseeable future and to continue to adopt the going concern basis of accounting in preparing the financial statements.

Tangible fixed assets

Tangible assets are stated at cost less accumulated depreciation. Cost includes the original purchase price and costs directly attributable to bringing the assets to working condition.

Depreciation is provided in order to write down the cost less estimated residual value of all tangible fixed assets over their estimated useful life, using the straight-line method. The rates of depreciation for each asset class are as follows:

Computer equipment - 20% on cost

Upon disposal of a tangible fixed asset, the gain or loss is calculated as the difference between the sales proceeds and the carrying value of the asset, and is recognised in the income statement.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank only.

Financial instruments

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

Basic financial assets, including trade and other receivables and cash and bank balances are initially recognised at transaction price and are subsequently carried at amortised cost using the effective interest method. Financial assets that are receivable within one year are not amortised. At the end of each reporting period financial assets carried at amortised cost are remeasured to their fair value with the resulting gain or loss being recognised in the income statement immediately.

EXNESS (UK) LTD
PREVIOUSLY KNOWN AS EXNESS EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2017

2. ACCOUNTING POLICIES - continued

At the end of the reporting period financial assets are assessed for indicators of impairment. A provision for impairment of financial assets is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the contract. The amount of the provision is the difference between the carrying amount and the recoverable amount, being the present value of estimated future cash flows, discounted at the effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the income statement. Subsequent recoveries of amounts previously written off are recognised in profit or loss.

Basic financial liabilities, including trade and other payables, are initially recognised at transaction price. Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if the payment is due within one year.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date. Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Employee benefits and Pension cost

The company provides a range of benefits to employees, including paid holiday arrangements and a defined contribution pension scheme.

Short term benefit, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

The company operates a defined contribution pension scheme, which is a pension scheme under which the company pays fixed contributions to a separate entity. Contributions payable to the company's pension scheme are charged to the income statement in the period to which they relate. Amounts not paid are shown in creditors in the statement of financial position. The assets of the plan are held separately from the company in independently administered funds.

Foreign currencies

Transactions in foreign currencies are translated into sterling at the spot exchange rate ruling at the date of transaction.

Assets and liabilities (monetary items) denominated in foreign currencies are retranslated into sterling at the rates of exchange ruling at the statement of financial position date. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction.

Foreign exchange gains and losses resulting from the settlement of transactions and the retranslation at period-end exchange rates of monetary items denominated in foreign currency are recognised in the income statement.

EXNESS (UK) LTD
PREVIOUSLY KNOWN AS EXNESS EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2017

3. FINANCIAL RISK MANAGEMENT

The company has exposure to three main areas of risk - credit risk, liquidity risk and foreign exchange risk. The company has in place a risk management framework in order to manage and mitigate these risks, details of which can be found below:

Credit Risk

The company's exposure to credit risk arises from deposits held at third parties and the risk of failure of these counterparties. In order to mitigate this, the company monitors on an ongoing basis the credit ratings of the counterparties where deposits are held and only deposits with banks in accordance with the company's risk policy. As of 31 December 2017, the company held its cash deposits with bank institutions with a credit rating no less than A (31 December 2016: A). The company has no significant concentration of credit risk.

Liquidity Risk

The company has set its current liquidity risk appetite and it will maintain sufficient liquidity at all times to meet its liabilities as they fall due. In establishing its liquidity risk policy and tolerance, the Board has reviewed the company's liquidity profile and liquidity risks, in the context of its financial condition and business strategy.

Foreign Exchange Risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Exness (UK) Ltd has exposure to currency mismatch risk through its normal course of business. This risk arises if obligations (i.e. money obligations) owed in one currency are secured by deposits in a different currency and the exchange rate between these currencies change.

On a daily basis the FX exposures are evaluated, with the objective to reduce the currency excess to a level below the internal thresholds. There is no threshold for GBP as the primary reporting currency of the Firm.

4. EXPENSE BY NATURE

Description	Notes	2017 £	2016 £
Staff costs	5	438,005	198,095
Legal and professional		71,631	43,374
Rent		58,530	21,165
IT expenses		21,234	21,630
Travel expenses		12,338	1,040
Insurance		11,226	1,835
Accountancy fees		10,134	-
Recruitment fees		7,380	47,600
Auditors remuneration for non-audit services		6,520	6,540
Other expenses		6,206	1,597
License and membership fees		4,208	-
Bank charges		3,066	2,718
Staff training and welfare		3,054	-
Office expenses		3,035	-
Auditors remuneration for audit services		2,700	2,000
Entertainment expenses		808	-
Foreign exchange loss		793	551
Depreciation	8	196	-
		<u>661,064</u>	<u>348,145</u>

5. STAFF COSTS

	2017 £	2016 £
Directors remuneration (Note 6)	221,801	147,000
Salaries	163,522	27,165
Social security costs	48,504	23,930
Pension costs	<u>4,178</u>	<u>-</u>
	<u>438,005</u>	<u>198,095</u>

EXNESS (UK) LTD
PREVIOUSLY KNOWN AS EXNESS EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2017

5. STAFF COSTS - continued

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

	2017	2016
Management	<u>2</u>	<u>1</u>

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £4,178 (2016: £Nil).

6. DIRECTORS' REMUNERATION

	2017 £	2016 £
Directors' remuneration	221,801	147,000
Pension cost	<u>2,200</u>	<u>-</u>
	<u>224,001</u>	<u>147,000</u>

The number of directors to whom retirement benefits were accruing was as follows:

Defined benefit schemes	<u>1</u>	<u>-</u>
-------------------------	----------	----------

Information regarding the highest paid director for the year ended 31 December 2017 is as follows:

	2017 £	2016 £
Directors remuneration	<u>224,001</u>	<u>147,000</u>

7. TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose for the year ended 31 December 2017 nor for the year ended 31 December 2016.

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is higher (2016: same as) than the standard rate of corporation tax in the UK. The difference is explained below:

	2017 £	2016 £
Loss before tax	<u>(661,064)</u>	<u>(348,145)</u>
Loss multiplied by the standard rate of corporation tax in the UK of 19.25% (2016 - 20%)	(127,255)	(69,629)
Effects of:		
Tax effect of tax losses carried forward	<u>127,255</u>	<u>69,629</u>
Total tax charge	<u>-</u>	<u>-</u>

As at 31 December 2017, the company had unrelieved tax losses of £1,148,311 (2016: £485,308).

The tax rate for the current year is lower than the prior year, due to changes in the UK corporation tax rate, which decreased from 20% to 19% from 1 April 2017. Changes to the UK corporation tax rates were substantively enacted as part of Finance Bill 2016 (on 6 September 2016). These include reductions to the main rate to reduce the rate to 17% from 1 April 2020.

EXNESS (UK) LTD
PREVIOUSLY KNOWN AS EXNESS EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2017

8. PROPERTY, PLANT AND EQUIPMENT

	Computer equipment £
COST	
Additions	<u>2,943</u>
At 31 December 2017	<u>2,943</u>
DEPRECIATION	
Charge for year (Note 4)	<u>196</u>
At 31 December 2017	<u>196</u>
NET BOOK VALUE	
At 31 December 2017	<u>2,747</u>

9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017	2016
	£	£
Amounts owed by group undertakings	-	54,630
Amounts owed by related party	142,435	-
Other debtors	112	7,558
Prepayments	<u>10,328</u>	<u>18,892</u>
	<u>152,875</u>	<u>81,080</u>

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017	2016
	£	£
Trade creditors	-	27,362
Amounts due to related party	476	32,607
Social security and other taxes	-	33,355
Other creditors	2,100	-
Accrued expenses	<u>30,600</u>	<u>5,120</u>
	<u>33,176</u>	<u>98,444</u>

11. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			
Number:	Class:	Nominal value:	
2,748,014	Ordinary	1.00	
		2017	2016
		£	£
		<u>2,748,014</u>	<u>2,748,014</u>

During the year under review no (2016: 2,614,914) ordinary shares of £1 each were allotted and fully paid for in cash.

The ordinary shares have full voting rights, full rights to participate in any dividends declared and full rights to participate in any distribution on winding up.

12. RETAINED EARNINGS

	Retained earnings £
At 1 January 2017	(485,669)
Deficit for the year	<u>(661,064)</u>
At 31 December 2017	<u>(1,146,733)</u>

EXNESS (UK) LTD
PREVIOUSLY KNOWN AS EXNESS EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2017

13. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

Year ended 31 December 2017

	31.12.17 £	1.1.17 £
Cash and cash equivalents	<u>1,478,835</u>	<u>2,279,709</u>

Year ended 31 December 2016

	31.12.16 £	1.1.16 £
Cash and cash equivalents	<u>2,279,709</u>	<u>1,494</u>

14. RELATED PARTY DISCLOSURES

Entities with control, joint control or significant influence over the entity

	2017 £	2016 £
Amount due from related party	<u>-</u>	<u>54,630</u>

Other related parties

	2017 £	2016 £
Amount due from related party	142,435	-
Amount due to related party	<u>476</u>	<u>32,607</u>

The other related parties comprise of an entity with common shareholders and its subsidiary.

During the year, a total of key management personnel compensation of £224,001 (2016: £147,000) was paid.

15. EVENTS AFTER BALANCE SHEET DATE

On 28 February 2018, the company raised additional finance by issuing additional shares of £1,500,000.

No other post balance sheet events have been identified that may cause any changes to the financial statements.

16. ULTIMATE CONTROLLING PARTY

During the year under review, there was no single ultimate controlling party.