

# FINCAD UK Limited

Directors' report and  
financial statements

Year ended 31 December 2016

**Registered number: 8913159**

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# **FINCAD UK Limited**

## **Directors' report and financial statements**

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# **FINCAD UK Limited**

## **Directors and other information**

### **Directors**

Robert Park (Canadian)  
Takashi Yuri (Japanese)  
Geoffrey Fite (US)

### **Secretary**

Michael Brooks (Canadian)

### **Registered office**

Aschcombe House  
5 The Crescent  
Leatherhead  
Surrey,  
KT22 8DY

### **Auditor**

KPMG  
Chartered Accountants  
1 Stokes Place  
St. Stephen's Green  
Dublin 2

### **Bankers**

HSBC  
Southwark  
London, UK

### **Solicitors**

Menzies  
Aschcombe House  
5 The Crescent  
Leatherhead  
Surrey, UK KT22 8DY

### **Registered number**

8913159

# FINCAD UK Limited

## Directors' report

The directors present their annual report and audited financial statements for the year ended 31 December 2016.

### Principal activities, business review and future developments

The company's principal activities consist of the marketing and sale of software and application services which support the valuation and risk management of financial securities and derivatives.

It is the intention of the directors to continue to develop the current activities of the company.

The directors are satisfied with the company's performance during the period. New sales numbers were achieved through a combination of new term licenses, renewal of certain term licenses and professional services.

The directors have assessed the financial risks faced by the company and have taken measures to manage these risks as follows:

#### **Credit risk**

Concentration of credit risk with respect to trade receivables is limited due to the number of customers comprising the company's customer base and the dispersion of its customer base across numerous different business and geographic areas.

#### **Liquidity risk**

In view of the company's excess of current liabilities over current assets at 31 December 2016, the directors have duly considered the associated liquidity risk. As its ultimate parent undertaking, FinancialCAD Corporation, has undertaken to provide financial support for the foreseeable future covering a period of at least twelve months from the date of approval of these financial statements, the company has concluded that it has adequate financial support to mitigate this risk. Further details on the company's going concern position are set out in the basis of preparation note on page 11.

### Key performance indicators

The directors have identified the following as the key performance indicators of the company:

	2016 £	2015 £
Revenue	436,347	194,640
Operating loss	(575,278)	(2,087,074)

### Results and dividends

The results for the year are summarised on page 7. The directors do not propose the payment of a dividend (2015:£Nil)

## **FINCAD UK Limited**

### **Directors' report *(continued)***

#### **Directors of the company**

The directors who held office during the year were as follows:

Robert Park  
Takashi Yuri  
Steven Korn

Geoffrey Fite was appointed as a director and Steven Korn resigned as a director on 9 January 2017. Nancy Petersen resigned as company secretary and Michael Brooks was appointed company secretary on 9 January 2017.

#### **Political and charitable donations**

The company made no political or charitable contributions during the year.

#### **Disclosure of information to auditor**

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware and each director has taken all the steps that ought to be taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

#### **Auditors**


Pursuant to Section 487 of the Companies Act 2006, KPMG, Chartered Accountants and Registered Auditors will continue in office.

#### **Strategic report**

In preparing the directors' report, the directors have taken advantage of the small companies exemption under Section 414B of the Companies Act 2006 not to prepare a strategic report.

On behalf of the board

  
Robert Park  
Director

  
Takashi Yuri  
Director

September 29, 2017

## **FINCAD UK Limited**

### **Statement of directors' responsibilities in respect of the directors' report and the financial statements**

The directors are responsible for preparing 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 they have elected to prepare the financial statements in accordance with IFRSs as adopted by the EU and applicable law.

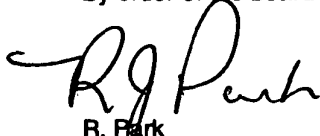
Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRS as adopted by the EU; 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

By order of the board



R. Park  
Director

September 29, 2017



KPMG  
Audit  
1 Stokes Place  
St. Stephen's Green  
Dublin 2  
D02 DE03  
Ireland

## Independent auditor's report to the member of FINCAD UK Limited

We have audited the financial statements ("financial statements") of FINCAD UK Limited for the year ended 31 December 2016, set out on pages 7 to 18. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRS) as adopted by the European Union, as applied in accordance with the Companies Act 2006. Our audit was conducted in accordance with International Standards on Auditing (ISAs) (UK & Ireland).

### Opinions and conclusions arising from our audit

#### **1 Our opinion on the financial statements is unmodified**

In our opinion the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the company as at 31 December 2016 and of its result for the year then ended;
- have been properly prepared in accordance with IFRS as adopted by the European Union, as applied in accordance with the provisions of the Companies Act 2006; and
- have been properly prepared in accordance with the requirements of the Companies Act 2006.

#### **2 Our conclusions on other matters on which we are required to report by the Companies Act 2006 are set out below**

We have obtained all the information and explanations which we consider necessary for the purposes of our audit.

In our opinion the information given in the directors' report is consistent with the financial statements.

#### **3 We have nothing to report in respect of matters on which we are required to report by exception**

ISAs (UK & Ireland) require that we report to you if, based on the knowledge we acquired during our audit, we have identified information in the annual report that contains a material inconsistency with either that knowledge or the financial statements, a material misstatement of fact, or that is otherwise misleading.

Under the Companies Act 2006 we are required 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.

We have nothing to report in respect of the above responsibilities.



## Independent auditor's report to the member of FINCAD UK Limited *(continued)*

### **Basis of our report, responsibilities and restrictions on use**

As explained more fully in the statement of directors' responsibilities set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and otherwise comply with the Companies Act 2006. Our responsibility is to audit and express an opinion on the financial statements in accordance with Irish law and International Standards on Auditing (UK & Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

An audit undertaken in accordance with ISAs (UK & Ireland) 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 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 annual 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.

Whilst an audit conducted in accordance with ISAs (UK & Ireland) is designed to provide reasonable assurance of identifying material misstatements or omissions it is not guaranteed to do so. Rather the auditor plans the audit to determine the extent of testing needed to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements does not exceed materiality for the financial statements as a whole. This testing requires us to conduct significant audit work on a broad range of assets, liabilities, income and expense as well as devoting significant time of the most experienced members of the audit team, in particular the engagement partner responsible for the audit, to subjective areas of the accounting and reporting.

Our 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.

**Maurice McCann (Senior Statutory Auditor))**  
**for and on behalf of KPMG, Statutory Auditor**  
Chartered Accountants  
1 Stokes Place  
St. Stephen's Green  
Dublin

3 October 2017



# FINCAD UK Limited

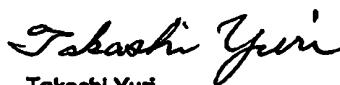
## Statement of comprehensive income for the year ended 31 December 2016

	Note	2016 £	2015 £
Revenue	2	436,347	194,640
Cost of sales		(380,043)	(118,629)
<b>Gross loss</b>		<b>56,304</b>	<b>76,011</b>
Administration expenses		(266,450)	(327,984)
Selling expenses		(2,130,770)	(1,878,272)
Foreign exchange gains		(683,787)	(154,341)
Other income		2,352,197	-
<b>Results from operating activities</b>		<b>(572,506)</b>	<b>(2,084,566)</b>
Finance income	3	98	110
Finance costs	3	(2,870)	(2,618)
<b>Loss before taxation</b>		<b>(575,278)</b>	<b>(2,087,074)</b>
Taxation	6	-	-
<b>Loss after taxation</b>		<b>(575,278)</b>	<b>(2,087,074)</b>

There were no items of other comprehensive income arising during the year.

On behalf of the board

  
Robert Park  
Director

  
Takashi Yuri  
Director

September 29, 2017

## FINCAD UK Limited

### Statement of changes in equity for the year ended 31 December 2016

	Share capital £	Retained earnings £	Total £
At 31 December 2014	1,000	(901,626)	(900,626)
Loss for the financial year	-	(2,087,074)	(2,087,074)
	<hr/>	<hr/>	<hr/>
At 31 December 2015	1,000	(2,988,700)	(2,987,700)
	<hr/>	<hr/>	<hr/>
Loss for the financial year	-	(575,278)	(575,278)
	<hr/>	<hr/>	<hr/>
At 31 December 2016	1,000	(3,563,978)	(3,562,978)
	<hr/>	<hr/>	<hr/>

# FINCAD UK Limited

## Statement of financial position as at 31 December 2016

	<i>Note</i>	<b>2016 £</b>	<b>2016 £</b>
<b>Non-current assets</b>			
Property, plant & equipment	<b>7</b>	<b>10,732</b>	<b>13,897</b>
<b>Total non-current assets</b>		<b>10,732</b>	<b>13,897</b>
<b>Current assets</b>			
Trade and other receivables	<b>8</b>	<b>389,599</b>	<b>126,070</b>
Cash and cash equivalents		<b>185,343</b>	<b>218,087</b>
<b>Total current assets</b>		<b>574,942</b>	<b>344,137</b>
<b>Total assets</b>		<b>585,674</b>	<b>358,034</b>
<b>Equity</b>			
Called up share capital	<b>11</b>	<b>1,000</b>	<b>1,000</b>
Profit and loss account		<b>(3,563,978)</b>	<b>(2,988,700)</b>
<b>Total equity</b>		<b>(3,562,978)</b>	<b>(2,987,700)</b>
<b>Current liabilities</b>			
Trade and other payables	<b>9</b>	<b>3,348,460</b>	<b>3,199,306</b>
Deferred revenue		<b>800,192</b>	<b>146,428</b>
<b>Total current liabilities</b>		<b>4,148,652</b>	<b>3,345,734</b>
<b>Total liabilities and equity</b>		<b>585,674</b>	<b>358,034</b>

On behalf of the board

  
Robert Park  
Director

  
Takashi Yuri  
Director

September 29, 2017

## FINCAD UK Limited

### Statement of cash flow

for the year ended 31 December 2016

	2016	2015 £
<b>Cash flows from operating activities</b>		
Loss for the period	(575,278)	(2,087,074)
<i>Adjustments for:</i>		
Depreciation	11,219	8,981
	<hr/>	<hr/>
<b>Operating loss before changes in working capital and provisions</b>	<b>(564,059)</b>	<b>(2,078,093)</b>
Increase in trade receivables	(263,529)	(100,174)
Increase in trade and intercompany payables	149,154	2,071,376
Increase in deferred revenue	653,764	144,301
	<hr/>	<hr/>
<b>Change in working capital related to operating activities</b>	<b>(24,670)</b>	<b>37,410</b>
	<hr/>	<hr/>
<b>Net cash inflow from operating activities</b>	<b>(24,670)</b>	<b>37,410</b>
	<hr/>	<hr/>
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(8,054)	(15,116)
	<hr/>	<hr/>
<b>Net cash outflow from investing activities</b>	<b>(8,054)</b>	<b>(15,116)</b>
	<hr/>	<hr/>
<b>Cash flows from financing activities</b>		
<b>Net cash inflow from financing activities</b>	<b>-</b>	<b>-</b>
	<hr/>	<hr/>
<b>Net (decrease) increase in cash and cash equivalents</b>	<b>(32,724)</b>	<b>22,294</b>
Cash and cash equivalents at 1 January	218,067	195,773
	<hr/>	<hr/>
<b>Cash and cash equivalents at 31 December</b>	<b>185,343</b>	<b>218,067</b>
	<hr/>	<hr/>

# FINCAD UK Limited

## Notes

*forming part of the financial statements*

### 1 Accounting policies

#### Reporting entity

FINCAD UK Limited (the "company") is registered in the UK. The address of the company's registered office is Aschcombe House, 5 The Crescent, Leatherhead Surrey UK KT22 8DY. The company is primarily involved in the marketing and sale of software and application services which support the valuation and risk management of financial services and derivatives. FINCAD UK licenses the software it sells from its parent company, FinancialCAD Corporation and receives significant managerial and administrative support from the parent.

#### Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the IASB and as adopted by the EU.

#### Basis of preparation

The financial statements have been prepared on the historical cost basis except for certain financial assets and liabilities including financial instruments which are stated at amortized cost.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next period are discussed in note 14.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

The statement of financial position on page 9 reports an excess of liabilities over assets. The directors have sought and obtained confirmation from its ultimate parent undertaking, FinancialCAD Corporation, that sufficient financial support will be provided to the company to enable it to meet its obligations as they fall due for the foreseeable future covering a period of not less than 12 months from the date of approval of these financial statements. As a result, the directors consider it appropriate to present the financial statements on a going concern basis.

#### New standards, amendments and IFRIC interpretations

No new accounting standards or amendments to accounting standards, or IFRIC interpretations that are effective for the year ended 31 December 2016 have had a material impact on the financial statements.

#### Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transactions. The resulting monetary assets and liabilities are translated at the balance sheet rate and the exchange differences are dealt with in the profit and loss account.

#### Revenue

##### *Licence revenue*

Revenue is recognised primarily from the sale of term software licences to end-users upon delivery of the software product to the customer when there are no significant post-delivery obligations and collection of the licence fee is considered probable. Revenue on term licences is recognised

# FINCAD UK Limited

## Notes (continued)

### 1 Accounting policies (continued)

rateably over the term of the licence agreement, generally on a straight-line basis, based on the applicable number of days in the contract.

#### *Professional services revenue*

Revenue is recognized as the services are completed.

#### **Property, plant and equipment**

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Depreciation is charged to the statement of comprehensive income on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Land is not depreciated. The estimated useful lives are as follows:

Computer & office equipment	2 years
Computer software	2 years

The company reviews the estimated useful life and the depreciation method at each reporting date.

#### **Pension costs**

The company provides pensions to its employees under a defined contribution scheme. Contributions to the scheme are accounted for in the period in which they fall due.

#### **Share-based payment transactions**

The directors have reviewed the impact of IFRS 2 *Share-based Payment* on the financial statements and have concluded that it is not material. On this basis, no amounts or disclosures have been included in the financial statements in respect of share options.

#### **Taxation**

Tax on the profit or loss for the period comprises current and deferred tax. Tax is recognised in the statement of comprehensive income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the balance sheet date and any adjustment to tax payable in respect of previous periods. Current tax payable also includes any tax liability arising from the declaration of dividends.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

# FINCAD UK Limited

## Notes (continued)

### 1 Accounting policies (continued)

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

2 Revenue	2016 £	2015 £
Sale of goods	436,347	194,640
	<u>436,347</u>	<u>194,640</u>

3 Finance income/costs	2016 £	2015 £
<i>Income</i>		
Deposit interest	98	110
	<u>98</u>	<u>110</u>
<i>Costs</i>		
Bank charges	2,870	2,618
	<u>2,870</u>	<u>2,618</u>
	<u>2,772</u>	<u>2,508</u>

4 Statutory and other information	2016 £	2015 £
Depreciation	11,219	8,981
<i>Directors' remuneration</i>		
Directors' short term emoluments	-	-
Directors' post employment benefits	-	-
<i>Auditor's remuneration</i>		
Audit	-	-
	<u>-</u>	<u>-</u>

Audit fees are borne by a fellow group undertaking.

### 5 Staff numbers and costs

The average number of persons employed by the company including executive directors during the period, analysed by category, was as follows:

	Number of employees	
	2016 No.	2015 No.
Selling	12	10

# FINCAD UK Limited

## Notes (continued)

### 5 Staff numbers and costs (continued)

The aggregate payroll costs of these persons were as follows:

	2016 £	2015 £
Wages and salaries	1,722,805	1,057,929
Social welfare costs	186,974	134,077
Pension costs	82,648	65,441
	<u>1,992,427</u>	<u>1,257,447</u>

### 6 Income tax expense

As the company experienced a loss during the current period there was no corporation tax charge.

That company has tax losses carryforward of £710,325 for which no deferred tax asset has been recognised as the availability of profits and the period in which the losses might be used is uncertain.

### 7 Property, plant & equipment

	Office and computer equipment £	Total £
<b>Cost</b>	25,645	25,645
Additions in year	8,054	8,054
	<u>33,699</u>	<u>33,699</u>
<b>At 31 December 2016</b>	<b>33,699</b>	<b>33,699</b>
<b>Depreciation</b>	11,748	11,748
Charge for the year	11,219	11,219
	<u>22,967</u>	<u>22,967</u>
<b>At 31 December 2016</b>	<b>22,967</b>	<b>22,967</b>
<b>Carrying amount</b>		
At 31 December 2016	10,732	10,732
	<u>13,897</u>	<u>13,897</u>
At 31 December 2015	13,897	13,897



# FINCAD UK Limited

## Notes (continued)

<b>8 Trade and other receivables</b>	<b>2016 £</b>	<b>2015 £</b>
Trade receivables	334,390	67,513
Prepayments	54,409	57,557
Amounts due from parent company	1,000	1,000
	<hr/>	<hr/>
	<b>389,599</b>	<b>126,070</b>
	<hr/>	<hr/>

<b>9 Trade and other payables</b>	<b>2016 £</b>	<b>2015 £</b>
Trade payables	176,549	114,412
Amounts owing to ultimate parent company	3,171,911	3,084,894
	<hr/>	<hr/>
	<b>3,348,460</b>	<b>3,199,306</b>
	<hr/>	<hr/>

## 10 Pension scheme

The company operates a defined contribution pension scheme, the assets of which are invested in independent trustees for the benefit of members and their dependants.

<b>11 Called up share capital</b>	<b>2016 £</b>	<b>2015 £</b>
<b>Authorised</b>		
1,000 ordinary shares of £1.00 each	1,000	1,000
	<hr/>	<hr/>
<b>Allotted, called up and fully paid</b>		
1,000 ordinary shares of £1.00 each	1,000	1,000
	<hr/>	<hr/>

## 12 Ultimate holding and parent undertaking of larger group of which the company is a member

The company's ultimate parent undertaking is FinancialCAD Corporation, a company incorporated in Canada. The smallest and largest group in which the results of the company are consolidated is that headed by FinancialCAD Corporation. The consolidated financial statements of FinancialCAD Corporation are not available to the public.

# FINCAD UK Limited

## Notes (continued)

### 13 Related party transactions

During the year the company incurred licence fees of £380,043 (2015: £118,629) and incurred administrative expenses of £273,940 (2015: £175,692) from other group companies.

At the period end the following amounts were due from other group companies:

	2016 £	2015 £
Amount due from parent company	1,000	1,000
Amount due to ultimate parent company	(3,171,911)	(3,084,894)

All transactions with related parties are considered to be on commercial terms and at arm's length value.

Key management personnel remuneration for the period was £ 239,591 (2015: £165,612).

### 14 Accounting estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

### 15 Financial instruments

The company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk
- Currency risk

This note presents information about the company's exposure to each of the above risks, the company's objectives, policies and processes from measuring and managing risk and the company's management of capital.

#### **Credit risk**

Credit risk reflects the risk that the company may be unable to recover contractual receivables.

#### **Trade and other receivables**

The company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the demographics of the company's customer base, including the default risk of the industry and country in which customers operate, as these factors may have an influence on credit risk.

# FINCAD UK Limited

## Notes (continued)

### 15 Financial Instruments (continued)

#### *Credit risk (continued)*

##### *Trade and other receivables (continued)*

Based upon the products that the company is offering to its customers; the industries which the company serves, and the credit characteristics of the customers, management believes the company's customer list is low risk for non-payment of accounts. The company does not require collateral in respect of trade and other receivables.

The company establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables and investments. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. Any collective loss allowance is determined based on historical data of payment statistics for similar financial assets.

#### *Liquidity risk*

Liquidity risk is the risk that the company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation.

#### *Market risk*

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

#### *Currency risk*

The company is exposed to currency risk on sales and purchases that are denominated in a currency other than the functional currency of the company, Pound Sterling. The currencies in which these transactions primarily are denominated in are the Canadian dollar, the United States dollar and the Euro.

#### *Credit risk analysis*

The carrying amount of financial assets represents the maximum credit exposure. The maximum credit exposure to credit risk at the reporting date was:

	2016 £	2015 £
Trade and other receivables (note 8)	334,390	67,513
Cash and cash equivalents	185,343	218,067
	<hr/>	<hr/>
	519,733	285,580
	<hr/>	<hr/>

The maximum exposure to credit risk for trade receivables is £334,390 (2015: £67,513). These amounts are owed by companies in Europe and are recoverable in the short-term. No receivable in the current or prior period exceeded the agreed credit terms. There has been a recovery £61,800 in trade receivables in the current period.

Cash and cash equivalents comprise cash on hand and bank demand deposits.

# FINCAD UK Limited

## Notes (continued)

### 15 Financial instruments (continued)

#### *Liquidity risk analysis*

The company manages its liquidity needs by carefully monitoring cash outflows due on a weekly basis and monthly basis. The company maintains cash and cash equivalents to meet its cash requirements for up to 30-day periods. All financial liabilities, as detailed in note 9, fall due for payment within 6 months post period end.

The carrying amounts, as detailed in note 9, are considered to be a reasonable approximation of fair value.

#### *Currency risk analysis*

The majority of the company's transactions are denominated in the company's functional currency, Euro. A limited number of low value transactions are denominated in Sterling. The directors have reviewed the impact of foreign currency risk and do not consider it to have a material impact on the financial instruments held by the company at period end.

### 16 Commitments

Total commitments exist under non-cancellable leases as follows:

	2016 £	2015 £
Expiring: Within one year	85,595	85,595
	<hr/>	<hr/>
	85,595	85,595
	<hr/>	<hr/>

### 17 Post balance sheet events

There have been no significant events since the year end, which would require the adjustment of, or disclosure in, the financial statements.

### 18 Approval of financial statements

The financial statements were approved by the directors on September 29, 2017.