

Registered number: 08971540

ACCOUNTS FOR REGISTRAR

---

**DSQUARE TRADING LIMITED**

---

**UNAUDITED**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2017**



**DSQUARE TRADING LIMITED**

---

---

**CONTENTS**

---

	Page
<b>Statement of Financial Position</b>	<b>1 - 2</b>
<b>Notes to the Financial Statements</b>	<b>3 - 11</b>

**DSQUARE TRADING LIMITED**  
**REGISTERED NUMBER: 08971540**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2017**

	Note	2017 £	2016 £
<b>Fixed assets</b>			
Intangible assets	4	71,866	934,266
Tangible assets	5	22,675	33,445
		<u>94,541</u>	<u>967,711</u>
<b>Current assets</b>			
Debtors		169,231	117,556
Cash at bank and in hand		3,783,012	6,159,891
		<u>3,952,243</u>	<u>6,277,447</u>
Creditors: amounts falling due within one year		<u>(2,326,067)</u>	<u>(4,104,227)</u>
<b>Net current assets</b>		<u>1,626,176</u>	<u>2,173,220</u>
<b>Total assets less current liabilities</b>		<u>1,720,717</u>	<u>3,140,931</u>
Creditors: amounts falling due after more than one year		<u>(38,408)</u>	<u>(64,866)</u>
<b>Net assets</b>		<u><u>1,682,309</u></u>	<u><u>3,076,065</u></u>

**DSQUARE TRADING LIMITED**  
**REGISTERED NUMBER: 08971540**

**STATEMENT OF FINANCIAL POSITION (CONTINUED)**  
**AS AT 31 MARCH 2017**

	Note	2017 £	2016 £
<b>Capital and reserves</b>			
Called up share capital	8	1,000	1,000
Profit and loss account		1,681,309	3,075,065
		<u>1,682,309</u>	<u>3,076,065</u>

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

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

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

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

The Company has opted not to file the statement of income and retained earnings in accordance with provisions applicable to companies subject to the small companies' regime.

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

**D Mitchell**  
 Director



Date: 21/4/17

The notes on pages 3 to 11 form part of these financial statements.

## DSQUARE TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017**1. General information**

The principal activity of DSquare Trading Limited ("the Company") is that of specialist proprietary foreign exchange trading. The Company is a private company limited by shares and is incorporated in England and Wales. The registered office is 35 Ballards Lane, London, N3 1XW.

**2. Accounting policies****2.1 Basis of preparation of financial statements**

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

The members have agreed to the preparation of an abridged statement of financial position for this accounting period in accordance with Section 444(2A) of the Companies Act 2006.

**2.2 Turnover and Revenue recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company 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.

Turnover comprises profits and losses derived from proprietary trading activities, being the purchase and sale of foreign exchange contracts.

Revenue is recognised as profits are earned on a mark to market basis.

**2.3 Intangible assets and amortisation**

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Goodwill	-	3	years
Intellectual Property	-	3	years

**2.4 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.

## DSQUARE TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017**2. Accounting policies (continued)****2.4 Tangible fixed assets (continued)**

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

Depreciation is provided on the following basis:

Computer equipment	-	33% 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 in the Statement of Income and Retained Earnings.

**2.5 Cash and cash equivalents**

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

Cash and cash equivalents also include balances held with the clearers through whom the company trades, valued on a mark to market basis.

## DSQUARE TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017**2. Accounting policies (continued)****2.6 Financial instruments**

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors and loans from related parties.

**(i) Financial assets**

Basic financial assets, including trade and other debtors and cash and bank balances and are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

**(ii) Financial liabilities**

Basic financial liabilities, including trade and other creditors, loans from related parties and accruals, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

**(iii) Offsetting**

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

## DSQUARE TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017**2. Accounting policies (continued)****2.7 Foreign currency translation****Functional and presentation currency**

The company's functional and presentational currency is GBP.

**Transactions and balances**

Foreign currency transactions are translated into the functional currency using the average monthly rate.

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 average monthly exchange rate 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 Income except when deferred in other comprehensive income as qualifying cash flow hedges.

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

**2.8 Finance costs**

Finance costs are charged to the Statement of Income and Retained Earnings over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

**2.9 Dividends**

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.



## DSQUARE TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017**2. Accounting policies (continued)****2.10 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Income and Retained Earnings, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

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

**3. Employees**

The average monthly number of employees, including directors, during the year was 11 (2016 - 13).

## DSQUARE TRADING LIMITED

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

## 4. Intangible assets

	Intellectual Property £	Goodwill £	Total £
<b>Cost</b>			
At 1 April 2016	2,000,000	200,000	2,200,000
At 31 March 2017	2,000,000	200,000	2,200,000
<b>Amortisation</b>			
At 1 April 2016	1,150,667	115,067	1,265,734
Charge for the year	784,000	78,400	862,400
At 31 March 2017	1,934,667	193,467	2,128,134
<b>Net book value</b>			
At 31 March 2017	65,333	6,533	71,866
At 31 March 2016	849,333	84,933	934,266

## DSQUARE TRADING LIMITED

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

## 5. Tangible fixed assets

	Computer equipment £
<b>Cost or valuation</b>	
At 1 April 2016	64,754
Additions	5,842
At 31 March 2017	<u>70,596</u>
<b>Depreciation</b>	
At 1 April 2016	31,309
Charge for the period on owned assets	16,612
At 31 March 2017	<u>47,921</u>
<b>Net book value</b>	
At 31 March 2017	<u>22,675</u>
At 31 March 2016	<u>33,445</u>

## 6. Cash and cash equivalents

	2017 £	2016 £
Cash at cash equivalents	<u>3,783,012</u>	<u>6,159,891</u>

Included within cash and cash equivalents is £406,445 (2016: £1,018,209) held with the clearers through whom the company trades.

## DSQUARE TRADING LIMITED

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

## 7. Deferred taxation

	2017 £
At beginning of year	41,594
Charged to profit or loss	(22,631)
<b>At end of year</b>	<b>18,963</b>

The deferred tax asset is made up as follows:

	2017 £
Accelerated capital allowances	(4,082)
Short term timing differences leading to an increase in taxation	23,045
	<b>18,963</b>

## 8. Share capital

	2017 £	2016 £
<b>Shares classified as equity</b>		
<b>Allotted, called up and fully paid</b>		
675 Ordinary A shares of £1 each	675	675
225 Ordinary B shares of £1 each	225	225
100 Ordinary C shares of £1 each	100	100
	<b>1,000</b>	<b>1,000</b>

## 9. Prior year adjustment

The prior period has been restated due to the incorrect classification of interest payable within administrative expenses. The financial statements now correctly include an amount of £16,598 within interest payable with a corresponding reduction in administrative expenses. This presentational adjustment has had no effect on the profits of the business as previously reported and the net assets position has also remain unchanged.

## DSQUARE TRADING LIMITED

---

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

---

**10. Commitments under operating leases**

At 31 March 2017 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2017 £	2016 £
Not later than 1 year	225,989	144,942
Later than 1 year and not later than 5 years	193,110	12,326
	<u>419,099</u>	<u>157,268</u>

**11. Related party transactions**

Included within creditors due within one year is an amount owed to a director of £4,099 (2016: £Nil). This amount is unsecured, interest-free and repayable on demand.

Included within creditors due within one year are amounts owed to entities controlled by the directors of £1,715,240 (2016: £3,141,064). These amounts are unsecured, interest-free and repayable on demand.

Included within creditors due within one year are amounts owed to a related entity of £224,143 (2016: £332,540). This loan is unsecured, interest-free and repayable on demand. The prior year loan included an amount of \$150,000 which was unsecured, interest-free and repayable on demand.

**12. Controlling party**

The ultimate parent undertaking is Brea Hill Limited, a company registered in England and Wales.

The ultimate controlling party is D Mitchell.