Company Registration No. 07909192 (England and Wales)

AQUIS EXCHANGE LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014

Hazlems Fenton LLP
Chartered Accountants
Palladium House
1-4 Argyll Street
London
W1F 7LD

AQUIS EXCHANGE LIMITED

COMPANY INFORMATION

Directors	N Beattie R Bennett J Clelland P Czupryna A Haynes D McCann S Melnick M Spanbroek M Szczepanski
Company number	07909192
Registered office	Palladium House 1-4 Argyll Street London W1F 7LD
Auditors	Hazlems Fenton LLP Chartered Accountants Palladium House 1-4 Argyll Street London W1F 7LD
Business address	6th Floor Becket House 36 Old Jewry London EC2R 8DD

AQUIS EXCHANGE LIMITED

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AQUIS EXCHANGE LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2014

The directors present the strategic report and financial statements for the year ended 31 December 2014.

The financial statements for the company are presented under International Financial Reporting Standards (IFRSs) as adopted for use by the European Union.

Review of the business
The results of the year and the financial position at the year-end were consistent with the business plan and considered satisfactory by the directors. The company achieved reasonable growth during the year and this is expected to continue in the future.

New clients continue to be attracted from existing referrals and connections and the company continues to develop the strong web of professional connections built up over the past few years. A key factor that contributed to this was the strength and high degree of experience and loyalty of our staff. Loss for the year has increased to £4,627,389 compared to £3,200,130 in the previous year, mainly attributable to increased staff costs. Staff costs have risen significantly this year due to our continued investment in existing staff and also due to hiring new staff to ensure that we remain committed to servicing our clients.

Principal risks and uncertainties
The principal risks to the business are the company being unable to attract sufficient clients resulting in a failure to build sufficient profitability and the company being unable to identify clients who are interested in the licensing of its software. In addition there are uncertainties to the success of the business relating to equity market trading volumes and regulatory changes.

Development and Performance
The company raised additional equity capital during the year to cover anticipated losses during 2014 and to support the growth of the business through 2015. The company is required to meet minimum capital requirements to support its activities as set out by the FCA and comfortably exceeded these targets at 31 December 2014.

Key Performance Indicators
The key performance targets for the company are (i) the number of clients who join as members of the exchange, (ii) the liquidity available to the clients, (iii) the trading volumes of the clients and (iv) the number of clients who license the company's software.

On behalf of the board

....
J Clelland
Director
.....16/4/15..

The directors present their report and financial statements for the year ended 31 December 2014.

Principal activities
The principal activities of the company are to operate an equities exchange enabling members to trade across twelve European markets and to provide exchange software under licence. The company is regulated by the Financial Conduct Authority (FCA).

Results and dividends
The results for the year are set out on page 7.

The directors do not recommend payment of an ordinary dividend for the year.

Post balance sheet events
In the directors' opinion, there were no events after the reporting period that require disclosure.

Future developments
The company anticipates continuing to grow its client base and market liquidity. The business is focussed on providing innovative solutions to its clients and anticipates that this will increase client numbers and enhance market volumes.

Directors
The following directors have held office since 1 January 2014:

N Beattie	
R Bennett	(Appointed 17 March 2014)
J Clelland	
P Czupryna	
A Haynes	
A Maciejewski	(Resigned 20 October 2014)
D McCann	
S Melnick	
M Spanbroek	
M Szczepanski	(Appointed 2 December 2014)

Financial instruments

Financial risk management
The directors constantly monitor the financial risks and uncertainties facing the company with particular reference to the exposure of interest rate, foreign currency, credit, liquidity and cash flow risk. They are confident that suitable policies are in place and that all material financial risks have been considered. More detail is given in Note 3 to the financial statements.

Auditors
The auditors, Hazlems Fenton LLP, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of directors' responsibilities
The directors are responsible for preparing the Strategic Report, 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 International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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 IFRSs as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 of disclosure to auditors
So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

Pillar 3 risk assessment
The European Capital Requirements Directive introduced consistent capital adequacy standards and an associated supervisory framework in the EU based on the Basel II rules. The Directive was introduced into the UK by the Financial Conduct Authority ("FCA"). The framework consists of three 'pillars'.

- Pillar 1 - This specifies the minimum capital requirements.
- Pillar 2 - This supervisory review process requires an assessment to be made of whether additional capital should be held against risks not covered by Pillar 1.
- Pillar 3 - This introduces public disclosure of qualitative and quantitative information and is designed to promote market discipline by providing market participants with key information on a firm's risk exposures and risk management processes.

The company is currently making a loss and the risk management process is focused on managing ongoing commitments whilst seeking to grow sustainable revenues so that the business can reach breakeven. The principal risks and uncertainties of the business relate to its ability to attract new clients and to retain its existing clients. Given the small size of the firm it is significantly exposed to departures of key personnel. As this risk is unavoidable the company maintains sufficient capital to ensure an orderly winding up if key departures mean clients cannot be supported.

The company has capital resources of £4,386,272 as at 31 December 2014 all of which is tier one capital. The base capital requirement for the firm is €730,000 (£568,492), and the internal assessment of its risk capital requirement is £1,468,000 which represents the firm's estimate of the capital required in accordance with FCA guidelines. The company has minimal exposure to market, credit or liquidity risk. The company has just £544,881 of illiquid assets. All cash is held in instant access accounts and money market deposits.

On behalf of the board

....
J Clelland
Director
........16/4/15

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF AQUIS EXCHANGE LIMITED

We have audited the financial statements of Aquis Exchange Limited for the year ended 31 December 2014 which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the International Financial Reporting Standards (IFRSs) as adopted by the European Union.

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 auditors' 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 auditors
As explained more fully in the Directors' Responsibilities Statement set out on page 3, 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 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 Strategic Report and Directors' 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 company's affairs as at 31 December 2014 and of its loss for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union; 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 Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

AQUIS EXCHANGE LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF AQUIS EXCHANGE LIMITED

Matters on which we are required to report by exception
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.

Russell Tenzer

Russell Tenzer FCA (Senior Statutory Auditor)
for and on behalf of Hazlems Fenton LLP

21/4/15

Chartered Accountants
Statutory Auditor

Chartered Accountants
Palladium House
1-4 Argyll Street
London
W1F 7LD

AQUIS EXCHANGE LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2014

	Notes	2014 £	2013 £
Continuing operations			
Revenue	6	154,000	-
Cost of sales	7	(3,578,856)	(2,323,002)
Gross loss		(3,424,856)	(2,323,002)
Administrative expenses	7	(1,218,648)	(894,337)
Operating loss		(4,643,504)	(3,217,339)
Finance income	10	16,115	17,209
Loss before income tax		(4,627,389)	(3,200,130)
Income tax expense	11	-	-
Loss for the year from continuing operations and attributable to owners of the company	18	(4,627,389)	(3,200,130)

There was no other comprehensive income or deficit in the year and the preceding financial year.

The notes on pages 11 to 21 are an integral part of these financial statements.

AQUIS EXCHANGE LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2014

	Notes	2014 £	2013 £
Assets			
Non-current assets			
Property, plant and equipment	**12**	544,881	767,902
Total non-current assets		544,881	767,902
Current assets			
Trade and other receivables	**13**	256,975	3,283,320
Cash and cash equivalents	**14**	3,673,165	3,914,656
Total current assets		3,930,140	7,197,976
Total assets		4,475,021	7,965,878
Equity and liabilities			
Equity attributable to the owners of the company			
Ordinary shares	**16**	11	10
Share premium	**17**	12,499,989	11,299,990
Retained earnings	**18**	(8,113,728)	(3,486,339)
Total equity		4,386,272	7,813,661
Liabilities			
Current liabilities			
Trade and other payables	**15**	88,749	152,217
Total current liabilities		88,749	152,217
Total liabilities		88,749	152,217
Total equity and liabilities		4,475,021	7,965,878

The financial statements were approved and authorised for issue by the Board on 16/4/15 and signed on its behalf by:

J Clelland
Director

A Haynes
Director

Company Registration No. 07909192

The notes on pages 11 to 21 are an integral part of these financial statements.

AQUIS EXCHANGE LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2014

	Notes	Share capital £	Share premium £	Retained earnings £	Total equity £
		Attributable to owners of the company			
Balance as at 1 January 2013		2	919,998	(286,209)	633,791
Proceeds from shares issued	**16/17**	8	10,379,992	-	10,380,000
Total comprehensive deficit for the year	**18**	-	-	(3,200,130)	(3,200,130)
Balance as at 31 December 2013		10	11,299,990	(3,486,339)	7,813,661
Balance as at 1 January 2014		10	11,299,990	(3,486,339)	7,813,661
Proceeds from shares issued	**16/17**	1	1,199,999	-	1,200,000
Total comprehensive deficit for the year	**18**	-	-	(4,627,389)	(4,627,389)
Balance as at 31 December 2014		11	12,499,989	(8,113,728)	4,386,272

Share capital
This amount represents the amount subscribed for shares at nominal value.

Retained earnings
This amount consists of cumulative realised profits less losses and distributions attributable to owners of the company.

The notes on pages 11 to 21 are an integral part of these financial statements

AQUIS EXCHANGE LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2014

	Notes	2014 £	2013 £
Cash flows from operating activities			
Cash used in operations	19	(1,352,841)	(6,204,286)
Net cash used in operating activities		(1,352,841)	(6,204,286)
Cash flows from investing activities			
Purchases of property, plant and equipment	12	(104,765)	(895,673)
Interest received	10	16,115	17,209
Net cash used in investing activities		(88,650)	(878,464)
Cash flows from financing activities			
Proceeds from the issue of ordinary shares	16/17	1,200,000	10,380,000
Net cash generated from financing activities		1,200,000	10,380,000
Net (decrease)/increase in cash and cash equivalents		(241,491)	3,297,250
Cash and cash equivalents at beginning of the year	14	3,914,656	617,406
Cash and cash equivalents at end of the year	14	3,673,165	3,914,656

The notes on pages 11 to 21 are an integral part of these financial statements.

1. Corporate information

Aquis Exchange Limited ("the company") is engaged in the operation of a pan-European equities exchange and technology supplier.

The company is a private limited company which is incorporated and domiciled in England and Wales. Its registered office is located at Palladium House, 1-4 Argyll Street, London, W1F 7LD.

2. Summary of significant accounting policies

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

2.1 Basis of preparation

The financial statements of Aquis Exchange Limited have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union, IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS and the Companies Act 2006.

The financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

2.1.1 Application of new and revised International Financial Reporting Standards (IFRSs)

a) *New and amended standards adopted by the company*

There are no IFRSs or IFRIC interpretations that are effective for the first time for the financial year beginning on or after 1 January 2014 that would be expected to have a material impact on the company.

b) *New standards, amendments and interpretations issued but not effective for the financial year beginning 1 January 2014 and have not been adopted early by the company*

At the date of authorisation of these financial statements, the following standard and interpretation which has not been applied in preparing these financial statements, was in issue but not yet effective:

IFRS 9, 'Financial instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of IFRS 9 was issued in July 2014. The standard is effective for accounting periods beginning on or after 1 January 2018. Early adoption is permitted. The company is yet to assess IFRS 9's full impact.

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the company.

2. Summary of significant accounting policies (continued)

2.2 Foreign currency translation

a) *Functional and presentation currency*

Items included in the financial statements of the company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in UK Pound Sterling (£), which is the company's functional currency.

b) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

All foreign exchange gains and losses recognised in the statement of comprehensive income are presented net within 'administrative expenses'.

2.3 Property, plant and equipment

All property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent expenditure is included in the asset's carrying amount or is recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repair and maintenance costs are charged to the income statement during the financial period in which they are incurred.

Depreciation of assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Computer equipment - 3 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date. Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use.

2.4 Financial assets

2.4.1 Classification

The company classifies its financial assets as 'loans and receivables'. This classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

For the purpose of these financial statements, financial assets have been determined to include 'trade and other receivables' and 'cash and cash equivalents'.

2. Summary of significant accounting policies (continued)

2.4 Financial assets (continued)

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets. The company's loans and receivables comprise 'trade and other receivables', and 'cash and cash equivalents' in the statement of financial position.

2.5 Trade and other receivables

Trade receivables are amounts due from customers for services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables do not carry interest and are recognised initially at fair value less provision for impairment.

2.6 Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts.

2.7 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.8 Financial liabilities

Financial liabilities are classified at initial recognition into either financial liabilities 'at fair value through profit or loss' or 'loans and borrowings'. The Company does not have any financial liabilities "at fair value through profit or loss".

The Company has the following as non-derivative financial liabilities; 'trade and other payables' and 'accrued expenses'.

2.9 Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade and other payables are not interest bearing and are initially recognised at fair value.

2.10 Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the income statement.

2. Summary of significant accounting policies (continued)

2.11 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2.12 Income tax

The tax expense for the year comprises current and deferred tax.

a) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the country where the company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

b) Deferred income tax

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.13 Revenue recognition

Rendering of services

Revenue for services is recognised in the accounting year in which the services are rendered, by reference to stage of completion of the specific transaction and assessed on the basis of the actual service provided as a proportion of the total services to be provided.

2.14 Leases

Leases are accounted for in accordance with IAS 17 and IFRIC 4. The company currently only has operating leases which are accounted for as follows:

Operating leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments, including prepayments, made under operating leases (net of any incentives received from the lessor) are charged to the statement of comprehensive income in equal amounts over the period of the lease.

2. Summary of significant accounting policies (continued)

2.15 Employee benefits

Pension obligations

The company has defined contribution plans. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. The company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The company has no further payment obligations once the contributions have been paid. The contributions are recognised as an employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

3. Financial risk management

3.1 Financial risk factors

The company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk. The company's overall risk management policy seeks to ensure that adequate resources are available to manage the above risks. It is not the company's policy to engage in speculative transactions.

The company's financial management policies and practices which seek to mitigate these financial risks are described below:

a) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets including cash and cash equivalents, the company minimises credit risk by dealing exclusively with counterparties which have a high credit rating.

The company's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The company aims to trade with recognised and creditworthy third parties. In addition, receivable balances are monitored on an ongoing basis and the credit quality of customers is assessed based on past experience with those customers. Where considered necessary, an allowance is made for possible loss. Hence, the company's exposure to impairment loss on trade and their receivables is not significant.

b) Liquidity risk

Liquidity risk is the risk that the company will encounter difficulty in raising funds to meet commitments associated with the financial instruments. Liquidity risk may also result from an inability to sell a financial asset quickly at its fair value. The objective of liquidity management is to ensure that the company has sufficient funds to meet its contractual and financial obligations. To manage liquidity risk, the company monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the company's operation.

The table below summarises the maturity profile of the company's financial liabilities at the reporting date based on contractual undiscounted payments.

3. Financial risk management (continued)

3.1 Financial risk factors (continued)

b) Liquidity risk (continued)

Trade and other payables	**2014** £	**2013** £
Trade payables	11,343	42,715
Other payables	12,914	14,205
Accrued expenses	64,492	95,297
	88,749	152,217
One year or less	88,749	152,217

The company has sufficient cover with an amount of £3,673,165 held in cash and cash equivalents to meet the financial liabilities falling due within 1 year of the reporting date.

c) Market risk

Market risk is the risk that changes in market prices, such as interest rates and foreign exchange rates 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 optimising the return on risk.

d) Interest rate risk

The company has no significant interest-sensitive assets and liabilities. Cash and cash equivalents earn interest at rates based on the banks' deposit rates.

e) Currency risk

The company has no significant assets and liabilities which are sensitive to currency fluctuations.

3.2 Capital management

The company's objectives when managing capital are:

- to safeguard the company's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The company adopts the following policies and procedures in order to manage its capital requirements:

- regularly monitoring its current and expected levels of liquidity to ensure that it has sufficient funds for working capital requirements.
- regularly monitoring of the return on capital or ROE (Return on Equity) and maintaining a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

The ROE is the amount of net income/ (loss) returned as a percentage of shareholders' equity.

3. Financial risk management (continued)

3.2 Capital management (continued)

	2014 £	2013 £
Net loss returned		
Loss for the year	(4,627,389)	(3,200,130)
Shareholders' equity:		
Share capital	11	10
Share premium	12,499,989	11,299,990
Retained losses	(8,113,728)	(3,486,339)
	4,386,272	7,813,661
Return on Equity	(76%)	(76%)

3.3 Fair value of financial assets and liabilities

The carrying amounts of financial assets and liabilities with a maturity of less than one year (including trade and other receivables, cash and cash equivalents, trade and other payables) are assumed to approximate their fair values because of the short period to maturity.

4. Critical accounting estimates and judgments

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next year are discussed below.

a) Useful lives of property, plant and equipment

The cost of property, plant and equipment is depreciated over its estimated useful economic life. Management estimates the useful lives of this property, plant and equipment to be 3 years. Changes in the expected level of usage and technological developments could impact on the useful economic lives and the residual values of these assets; therefore, future depreciation charges could be revised. The carrying amount of the company's property, plant and equipment in the statement of financial position is disclosed in note 12 of the financial statements.

5. Operating segments

The company has not presented a segmental analysis of the operations as it falls outside the scope of IFRS 8, 'Operating segments'.

6. Revenue

	2014 £	2013 £
Rendering of services	154,000	-
	154,000	-

7. Expenses by nature

	2014	2013
	£	£
Employee benefit expense	2,482,831	1,252,541
Depreciation charges	327,786	145,214
Legal and professional fees	121,850	433,733
Transportation expenses	30,645	33,430
Advertising costs	48,282	61,812
Foreign exchange (gains)/losses	(173)	-
Operating lease payments	183,290	105,963
Other expenses	1,602,993	1,184,646
Total cost of sales and administrative expenses	4,797,504	3,217,339

8. Auditors' remuneration

	2014	2013
	£	£
During the year the company obtained the following services from the company's auditor:		
Fees payable to company's auditor for the audit of company financial statements	11,000	11,000
Fees payable to the company's auditor for other services:		
• Tax services and other non-audit services	6,540	16,280
	17,540	27,280

9. Employee benefit expense

	2014	2013
	£	£
Wages and salaries	2,146,682	1,103,854
Social security costs	255,386	138,657
Pension costs – defined contribution plans	80,763	10,030
	2,482,831	1,252,541

	2014	2013
The average monthly number of employees (including directors) during the year was:		
Management	2	2
Operations	4	1
Sales	4	1
Marketing	1	1
IT and Finance	12	7
Compliance	3	-
	26	12

10. Finance income

	2014	2013
	£	£
Bank interest	16,115	4,682
Other interest	-	12,527
	16,115	17,209

11. Income tax expense

	2014 £	2013 £
Current tax: UK corporation tax	-	-
Income tax expense	-	-
Factors affecting the tax charge for the year		
Loss before tax	(4,627,389)	(3,200,130)
Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 20% (2013 - 20%)	(925,478)	(640,026)
Tax effects of:		
• Expenses not deductible for tax purposes	8,557	3,392
• Depreciation add back	62,557	29,043
• Capital allowances	(52,469)	(73,244)
• Tax losses unutilised	907,473	684,277
• Other tax adjustments	(640)	(3,442)
	925,478	640,026
Current tax charge for year	-	-

The company has estimated losses of £8,641,256 (2013: £4,135,006) available for carry forward against future trading profits.

12. Property, plant and equipment

	Computer equipment £
Cost	
At 1 January 2013	20,256
Additions	895,673
At 31 December 2013	915,929
Additions	104,765
At 31 December 2014	1,020,694
Depreciation	
At 1 January 2013	2,813
Charge for the year	145,214
At 31 December 2013	148,027
Charge for the year	327,786
At 31 December 2014	475,813
Net book value	
At 31 December 2014	544,881
At 31 December 2013	767,902

13. Trade and other receivables

	2014 £	2013 £
Trade receivables	31,600	-
Unpaid share capital	-	3,000,000
Other receivables	33,913	247,676
Prepayments and accrued income	191,462	35,644
	256,975	3,283,320

The carrying value of trade and other receivables approximates its fair value.

14. Cash and cash equivalents

	2014	2013
	£	£
Cash at bank	3,673,165	3,914,656
	3,673,165	3,914,656

The carrying value of cash and cash equivalents approximates its fair value.

15. Trade and other payables

	2014	2013
	£	£
Trade payables	11,343	42,715
Other payables	12,914	14,205
Accrued expenses	64,492	95,297
	88,749	152,217

The carrying value of trade and other payables approximates its fair value.

16. Share capital

	Number of shares issued	Ordinary A shares of 0.001p each	Ordinary B shares of 0.001p each	Total
		£	£	£
At 1 January 2013	170,652	1	1	2
Proceeds from share issue	797,298	-	8	8
At 31 December 2013	967,880	1	9	10
Proceeds from share issue	92,167	-	1	1
At 31 December 2014	1,060,047	1	10	11

The ordinary A shares shall in aggregate be entitled to 25% of the votes, dividends and capital of the company but shall in all other respects be identical and rank pari passu with the ordinary B shares and any other class of shares which the company shall issue.

The ordinary B shares shall in aggregate be entitled to 75% of the votes, dividends and capital of the company but shall in all other respects be identical and rank pari passu with the ordinary A shares and any other class of shares which the company shall issue.

17. Share premium

	£
At 1 January 2013	919,998
Proceeds from share issue	10,379,992
At 31 December 2013	11,299,990
Proceeds from share issue	1,199,999
At 31 December 2014	12,499,989

18. Retained earnings

	£
At 1 January 2013	(286,209)
Loss for the year	(3,200,130)
At 31 December 2013	(3,486,339)
Loss for the year	(4,627,389)
At 31 December 2014	(8,113,728)

19. Cash used in operations

	2014	2013
	£	£
Operating loss	(4,643,504)	(3,217,339)
Adjustments for:		
• Depreciation (Note 12)	327,786	145,214
• Decrease/(Increase) in trade and other receivables	3,026,345	(3,271,609)
• (Decrease)/Increase in trade and other payables	(63,468)	139,448
Cash used in operations	(1,352,841)	(6,204,286)

20. Capital commitments

There was no capital expenditure contracted for at the end of the reporting year but not yet provided for.

21. Financial commitments

The company leases various office suites under non-cancellable operating lease agreements. The lease agreements are renewable at the end of the lease period at market rate. Future aggregated minimum lease payments under non-cancellable operating leases are as follows:

	Land and buildings	
	2014	2013
	£	£
• No later than 1 year	62,120	60,892

22. Control

In the opinion of the directors, there is no single overall controlling party.

23. Related party transactions

Key management compensation:
The compensation paid or payable to key management for employee services is shown below:

	2014	2013
	£	£
• Salaries and other short-term benefits	248,846	242,286
• Post-employment benefits	12,828	3,207
Total	261,674	245,493