

Moneycorp Financial Risk Management Limited

Financial Statements
for the year ended 31 December 2014

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COMPANIES HOUSE

Company Number: 05774742

Moneycorp Financial Risk Management Limited
Financial statements for the year ended 31 December 2014

Company information

INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
7 More London Riverside
London
SE1 2RT

COMPANY REGISTRATION NUMBER

05774742

DATE OF INCORPORATION

7 April 2006

BANKERS

Barclays Bank Plc
93 Baker Street
London
W1A 4SD

TRADING NAME

Moneycorp Financial Risk Management
Limited

Royal Bank of Scotland Plc
250 Bishopsgate
London
EC2M 4AA

REGISTERED OFFICE

2 Sloane Street
London
SW1X 9LA

DIRECTORS

N Haslehurst
M Horgan
A Woolley (resigned 12 November 2014)

Moneycorp Financial Risk Management Limited
Financial statements for the year ended 31 December 2014

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Moneycorp Financial Risk Management Limited
Directors' Report
for the year ended 31 December 2014

The Directors present their report and the audited financial statements of Moneycorp Financial Risk Management Limited 'the Company' for the year ended 31 December 2014.

PRINCIPAL ACTIVITIES

The principal activity of the Company is acting as a broker in the provision of foreign exchange option transactions to businesses and individuals. The Company is authorised and regulated by the Financial Conduct Authority (FCA).

RESULTS AND DIVIDENDS

The profit and loss account for the year is set out on page 9. The Directors do not recommend the payment of a dividend (year ended 31 December 2013: £nil).

DIRECTORS

The Directors listed below have served the Company during the year and up to the date of this report:

N Haslehurst
M Horgan
A Woolley (resigned 12 November 2014)

CHARITIES AND DONATIONS

No donations were made for charitable or political purposes during the year (year ended 31 December 2013: £nil).

GOING CONCERN

The financial statements have been prepared on a going basis as the Company's ultimate Parent Company, Moneta Topco Limited, has confirmed its intention to continue to provide adequate financial support for a period of at least twelve months from the approval date of these financial statements.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Strategic Report, Director's Report and the financial statements in accordance with applicable laws and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared 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;
- 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.

Moneycorp Financial Risk Management Limited
Directors' Report (continued)
for the year ended 31 December 2014

DISCLOSURE OF INFORMATION TO INDEPENDENT AUDITORS

In accordance with Section 418 of the Companies Act 2006, each Director in office at the date of approval of this report has confirmed that:

- (a) as far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- (b) he 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.

INDEPENDENT AUDITORS

The auditors PriceWaterhouseCoopers LLP, have indicated their willingness to continue in office, and a resolution that they will be reappointed will be proposed at the next meeting of the board of directors.

ON BEHALF OF THE BOARD



N Haslehurst
Director
24th April 2015

Moneycorp Financial Risk Management Limited
Strategic Report
for the year ended 31 December 2014

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The principal activities of the Company are the provision of foreign currency options transactions to businesses and individuals.

All comparatives relate to the year ended 31 December 2013.

The business continued to perform strongly in 2014, maintaining its customer and transaction volumes. Turnover was in line with the prior year whilst profit before tax increased by 18%.

In November 2014 the company implemented a new dealing and settlement system. This new trading system is expected to provide a robust and scaleable platform to enable the company to grow revenues going forwards.

Financial performance during 2015 is broadly in line with expectations.

RISKS AND UNCERTAINTIES

The Company is authorised and regulated by the FCA and does not consider current or known future regulation to be financially or operationally prohibitive.

Operational risk - Management has identified operational risk as the business's primary risk. Operational risk includes the risk arising within the organisation from inadequate or failed internal processes, inadequately designed or maintained systems, inappropriate staff levels or inadequately skilled or managed people. Operational risk exposures are identified, managed and controlled by management at all levels of the organisation. Internal controls include the organisational structures and delegation of authority within the Company. Systems are designed to manage and, as far as possible, eliminate the risk of failure to achieve business objectives and can provide robust, but not absolute, assurance against material misstatement or loss.

Currency risk - The Company maintains bank balances in a number of currencies, and is therefore exposed to movements in foreign exchange rates on these limited balances.

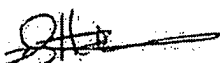
Liquidity risk - The settlement of contracts and other short term working capital requirements requires adequate liquidity which is generated through intra-day settlement facilities. The Company seeks to manage this risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably.

Physical risk - Physical risk arises from the Company's exposure to theft, misappropriation or damage to its physical assets. The Company maintains appropriate physical security measures and operates suitable policies and procedures to mitigate this risk. The Company also maintains appropriate levels of insurance to limit its exposure.

Credit risk - Credit risk arises from the possibility that the Company will incur losses from the failure of its customers to meet their obligations. The Company does not generally provide credit to its customers but credit exposures can arise, normally for a short period of time, as the Company depends on its customers to pay for monies and services provided and to perform on foreign exchange contracts. All material credit exposures require approval by the Group Credit Committee comprising individuals independent of business revenue generation. Credit exposures are monitored regularly against approved risk limits, with client margins called for where appropriate.

Regulatory and compliance risk - Regulatory risk is the risk of the financial or reputational loss arising from failure to meet the requirements of the Company's regulators. Compliance risk is the risk that the Company fails to adhere to the relevant rules and regulations that apply to its business. The Company has a dedicated team to set policy and ensure compliance with the FCA, anti-money laundering regulations and other regulatory requirements throughout the business operations.

ON BEHALF OF THE BOARD



N Haslehurst
Director
24th April 2015

Moneycorp Financial Risk Management Limited

Independent auditors' report to the member of Moneycorp Financial Risk Management Limited

Report on the financial statements

Our opinion

In our opinion, Moneycorp Financial Risk Management Limited's financial statements (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 profit and cash flows 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.

This opinion is to be read in the context of what we say in the remainder of this report.

What we have audited

Moneycorp Financial Risk Management Limited's financial statements comprise:

- the Balance Sheet as at 31 December 2014;
- the Profit and Loss Account for the year then ended;
- the Cash Flow Statement for the year then ended;
- the Reconciliation of Movements in Shareholders' funds for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Other matters on which we are required to report by exception

Adequacy of accounting records and informations and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Moneycorp Financial Risk Management Limited

Independent auditor's report to the members of Moneycorp Financial Risk Management Limited

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

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.

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) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Financial Statements 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.



James Hewer (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
24th April 2015

Moneycorp Financial Risk Management Limited**Profit and Loss Account****for the year ended 31 December 2014**

	Notes	12mths to 31 Dec 2014 £	12mths to 31 Dec 2013 £
TURNOVER	2	1,818,741	1,859,945
Administrative expenses		<u>(1,666,325)</u>	<u>(1,731,084)</u>
OPERATING PROFIT	3	152,416	128,861
Interest payable and similar income	6	<u>(59)</u>	<u>(152)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		152,357	128,709
Tax on profit on ordinary activities	7	<u>-</u>	<u>-</u>
PROFIT FOR THE FINANCIAL YEAR	12	152,357	128,709

All results derive from continuing operations.

There is no difference between the profit on ordinary activities before taxation and the profit for the years stated above and their historical cost equivalents.

The Company has no recognised gains or losses other than those included in the profit and loss account above, and as such no separate Statement of Total Recognised Gains or Losses has been presented.

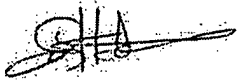
The notes on pages 12 to 15 form part of the financial statements.

Moneycorp Financial Risk Management Limited**Balance Sheet****as at 31 December 2013**

	Notes	31 December 2014		31 December 2013	
		£	£	£	£
CURRENT ASSETS					
Debtors	8	356,459		89,422	
Cash at bank and in hand	9	302,302		468,355	
		<u>658,761</u>		<u>557,777</u>	
CREDITORS					
Amounts falling due within one year	10	<u>(31,318)</u>		<u>(82,691)</u>	
NET ASSETS			<u>627,443</u>		<u>475,086</u>
CAPITAL AND RESERVES					
Called up share capital	11	2,100,000		2,100,000	
Profit and loss account	12	(1,472,557)		(1,624,914)	
TOTAL SHAREHOLDERS' FUNDS	13		<u>627,443</u>		<u>475,086</u>

The notes on pages 12 to 15 form part of the financial statements.

Approved by the Board on 24th April 2015 and signed on its behalf by:



N Haslehurst
Director

Moneycorp Financial Risk Management Limited

Cash Flow Statement

for the year ended 31 December 2014

	12mths to 31 Dec 14 £000	12mths to 31 Dec 14 £000	12mths to 31 Dec 13 £000	12mths to 31 Dec 13 £000
NET CASH OUTFLOW FROM OPERATING ACTIVITIES		(165,994)		(339,174)
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE				
Interest received				
Interest paid		(59)		(152)
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING		(59)		(152)
Taxation received/(paid)				
CAPITAL EXPENDITURE				
Tangible fixed assets acquired				
Proceeds on disposal of intangible fixed assets				
ACQUISITIONS				
Net cash flows from operations				
NET CASH OUTFLOW BEFORE FINANCING ACTIVITIES		(166,053)		(339,326)
FINANCING				
Equity dividends paid				
DECREASE IN CASH BALANCES		(166,053)		(339,326)
Opening cash balances		468,355		807,681
Closing cash balances		302,302		468,355
DECREASE IN CASH BALANCES		(166,053)		(339,326)

Note to the Cash flow

Reconciliation of operating profit to cash inflow from operating activities

Operating profit		152,416		128,861
(Increase)/decrease in debtors	(267,037)		1,190,820	
(Decrease) in creditors	(51,373)		(1,658,855)	
		(318,410)		(468,035)
NET CASH OUTFLOW FROM OPERATING ACTIVITIES		(165,994)		(339,174)

Moneycorp Financial Risk Management Limited

Notes to the financial statements

for the year ended 31 December 2014

1 PRINCIPAL ACCOUNTING POLICIES

The financial statements have been prepared on the going concern basis, under the historical cost convention, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently, are set out below. These policies have been consistently applied to all the years presented unless otherwise stated.

(a) BASIS OF PREPARATION

The financial statements have been prepared on a going concern basis.

(b) FOREIGN CURRENCIES

Trading transactions denominated in foreign currencies are translated into sterling at the exchange rate ruling when the transaction took place. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the exchange rate ruling at the balance sheet date. Exchange gains or losses are included in arriving at the operating profit. The gross assets and liabilities relating to foreign currency exchange contracts are reported in the balance sheet under debtors and creditors respectively.

(c) TURNOVER

Turnover comprises a spread on the premium charged on FX option products, recognised when a deal is transacted.

(d) ACCOUNTING FOR DERIVATIVE CONTRACTS

The Company enters into derivative contracts, specifically European Options, as part of its brokerage activity. All positions are hedged with the market in line with the Company's risk management policies.

For each hedged pair of derivatives the Company adopts a contract accounting method whereby, on trade date the net premium due/payable is recorded as Turnover, with the corresponding entry recognised as debtors, until amounts are received.

On exercise of the options contract, where applicable, the Company recognises a debtor and creditor to reflect the settlement of the notional amounts due under the contract.

(e) DEFERRED TAXATION

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Group's taxable results and its results as stated in the financial statements. Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered.

2 TURNOVER

Turnover consists of income solely generated in the United Kingdom.

3 OPERATING PROFIT

Operating profit is stated after charging:

Fees payable to the Company Auditor for:

The audit of the Company financial statements

Other services relating to taxation

12mths to	12mths to
31 Dec 14	31 Dec 13
£	£
16,083	10,500
2,500	3,000

Moneycorp Financial Risk Management Limited
Notes to the financial statements (continued)
for the year ended 31 December 2014

	12mths to 31 Dec 14 £	12mths to 31 Dec 13 £
4 DIRECTORS' EMOLUMENTS		
Aggregate emoluments (including benefits) for management services as Directors	<u>171,632</u>	<u>182,150</u>

All the Directors of the Company are Directors of TTT Moneycorp Limited (another Group Company). Emoluments are paid by TTT Moneycorp Limited in respect of services of directors to the company. The above amounts reflect the amount recharged to the Company allocated on a time-spent basis as detailed in and governed by a Services Agreement dated 21 June 2012. No directors received compensation for loss of office.

5 EMPLOYEE INFORMATION

The Company has no employees other than the Directors throughout the current and previous year.

The salaries of the staff concerned with revenue generation for the Company are paid by TTT Moneycorp Limited, another subsidiary of Regent Acquisitions Limited, for which a recharge is made to the Company, detailed in and governed by a Services Agreement dated 21 June 2012.

	12mths to 31 Dec 14 £	12mths to 31 Dec 13 £
6 INTEREST PAYABLE AND SIMILAR INCOME		
Interest payable and similar income consists of:		
Bank interest payable	<u>(59)</u>	<u>(152)</u>

	12mths to 31 Dec 14 £	12mths to 31 Dec 13 £
7 TAX ON PROFIT ON ORDINARY ACTIVITIES		
(a) Analysis of (credit)/charge in the year		
Current tax:		
UK corporation tax for the year	<u> </u>	<u> </u>
Total current tax; note 7(b)	<u> </u>	<u> </u>

(b) Factors affecting tax (credit)/charge for the year

The UK corporation tax rate at 31 December 2014 was 21% (effective from 1 April 2014). Until 1 April 2014 the UK corporation tax rate of 23% applied.

The tax assessed for the year is lower than (2013: lower than) the standard effective rate of corporation tax in the UK of 21.50% (year ended 31 December 2013: 23.25%). The differences are explained below:

Profit on ordinary activities before taxation	<u>152,357</u>	<u>128,709</u>
At the standard effective rate of corporation tax in the UK of 21.50% (year ended 31 December 2013: 23.25%)	<u>32,757</u>	<u>29,925</u>
Effects of:		
Group relief received	<u>(32,757)</u>	<u>(29,925)</u>

Moneycorp Financial Risk Management Limited
Notes to the financial statements (continued)
for the year ended 31 December 2014

8 DEBTORS	31 Dec 14	31 Dec 2013
	£	£
Amounts falling due within one year:		
Amounts owed by Group undertakings	354,764	87,729
Prepayments and accrued income	1,695	1,693
	<u>356,459</u>	<u>89,422</u>

The amount owing at 31 December 2014, by the Company's Parent undertaking was unsecured, interest free and repayable on demand.

9 CASH AT BANK AND IN HAND

At 31 December 2014, the Company's cash balances with banks included nil (31 December 2013: £43,260) of customer deposits. The corresponding liability is included within trade creditors (note 10).

10 CREDITORS	31 Dec 14	31 Dec 13
	£	£
Amounts falling due within one year:		
Trade creditors		50,956
Other creditors	12,735	12,735
Accruals and deferred income	18,583	19,000
	<u>31,318</u>	<u>82,691</u>

11 CALLED UP SHARE CAPITAL

Ordinary shares of £1 each:

Authorised - value	£1,000,000	£1,000,000
Authorised - number	1,000,000	1,000,000
Allotted, called up and fully paid - value	£750,000	£750,000
Allotted, called up and fully paid - number	750,000	750,000

Preference shares of £1 each:

Authorised - value	£1,450,000	£1,450,000
Authorised - number	1,450,000	1,450,000
Allotted, called up and fully paid - value	£1,350,000	£1,350,000
Allotted, called up and fully paid - number	1,350,000	1,350,000

Moneycorp Financial Risk Management Limited
Notes to the financial statements (continued)
for the year ended 31 December 2014

	12mths to 31 Dec 14 £	12 mths to 31 Dec 13 £
12 PROFIT AND LOSS ACCOUNT		
At 1 January	(1,624,914)	(1,753,623)
Profit for the financial year	152,357	128,709
At 31 December	<u>(1,472,557)</u>	<u>(1,624,914)</u>
	12mths to 31 Dec 14 £	12mths to 31 Dec 13 £
13 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS		
Opening equity shareholders' funds	475,086	346,377
Profit on ordinary activities after taxation	152,357	128,709
Closing equity shareholders' funds	<u>627,443</u>	<u>475,086</u>

14 CONTINGENT LIABILITIES AND FINANCIAL COMMITMENTS

The company has no contingent liabilities of financial commitments at the reporting date.

15 RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemption provided by FRS 8 so that the transactions with Group companies have not been disclosed.

16 ULTIMATE HOLDING COMPANY AND CONTROL

At the balance sheet date, the Directors consider that the Company's immediate parent and controlling party is Regent Acquisitions Limited (100% effective holding), incorporated and registered in The Cayman Islands. The ultimate holding company is Moneta Topco Limited (100% effective holding), a company incorporated and registered in Jersey, Channel Islands. This company produces consolidated financial statements, which may be obtained from 2 Sloane Street, London, SW1X 9LA. The ultimate controllers of Moneta Topco Limited at the balance sheet date were Bridgepoint Europe IV (Nominees) Limited.