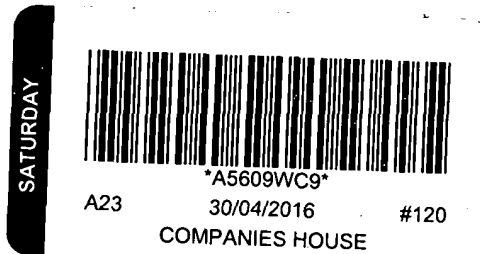


Company Registration No. 07029238 (England and Wales)

H2O MARKETS LIMITED
DIRECTOR'S REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2015



H2O MARKETS LIMITED

COMPANY INFORMATION

Director	J Blanchett
Company number	07029238
Registered office	4-7 Chiswell Street London EC1Y 4UP
Auditors	Goodman Jones LLP 29-30 Fitzroy Square London W1T 6LQ

H2O MARKETS LIMITED

CONTENTS

	Page
Director's report	1
Independent auditors' report	2 - 3
Profit and loss account	4
Balance sheet	5
Notes to the financial statements	8 - 11

H2O MARKETS LIMITED

DIRECTOR'S REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2015

The director does not recommend payment of a preference dividend.

Director

The following director has held office since 1 October 2014:

D L Harris

(Resigned 16 November 2015)

J Blanchett

Auditors

In accordance with the company's articles, a resolution proposing that Goodman Jones LLP be reappointed as auditors of the company will be put at a General Meeting.

Statement of director's responsibilities

The director is responsible for preparing the Director's Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless he is 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 director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is 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 director is aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the director has taken all the necessary steps that he ought to have taken as director in order to make himself aware of all relevant audit information and to establish that the company's auditors are aware of that information.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

On behalf of the board

S. Blanchett

J Blanchett

Director

28/04/2016

H2O MARKETS LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF H2O MARKETS LIMITED

We have audited the financial statements of H2O Markets Limited for the year ended 30 September 2015 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

As explained more fully in the Director's Responsibilities Statement, the director is 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 director; 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.

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 30 September 2015 and of its profit 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

H2O MARKETS LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF H2O MARKETS 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; or
- the director was not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the director's report and from preparing a strategic report.



Amit Sharma (Senior Statutory Auditor)
for and on behalf of Goodman Jones LLP

28th April 2016

Chartered Accountants
Statutory Auditor

29-30 Fitzroy Square
London
W1T 6LQ

H2O MARKETS LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 SEPTEMBER 2015

	Notes	2015 £	2014 £
Turnover		1,101,260	343,578
Cost of sales		(541,065)	(169,392)
Gross profit		560,195	174,186
Administrative expenses		(542,049)	(326,971)
Profit/(loss) on ordinary activities before taxation	2	18,146	(152,785)
Tax on profit/(loss) on ordinary activities	3	-	-
Profit/(loss) for the year	8	18,146	(152,785)

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

H2O MARKETS LIMITED

BALANCE SHEET

AS AT 30 SEPTEMBER 2015

	Notes	2015 £	£	2014 £	£
Fixed assets					
Tangible assets	4		4,345		503
Current assets					
Debtors	5	53,838		38,121	
Cash at bank and in hand		60,695		49,279	
		<u>114,533</u>		<u>87,400</u>	
Creditors: amounts falling due within one year	6	<u>(73,202)</u>		<u>(60,373)</u>	
Net current assets			<u>41,331</u>		<u>27,027</u>
Total assets less current liabilities			<u>45,676</u>		<u>27,530</u>
Capital and reserves					
Called up share capital	7		412,004		412,004
Share premium account	8		364,529		364,529
Profit and loss account	8		<u>(730,857)</u>		<u>(749,003)</u>
Shareholders' funds	9		<u>45,676</u>		<u>27,530</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

Approved by the Board and authorised for issue on 28/04/2016

J. Blanchett
J Blanchett
Director

Company Registration No. 07029238

H2O MARKETS LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 2015

	£	2015 £	£	2014 £
Net cash inflow/(outflow) from operating activities		17,447		(136,806)
Capital expenditure				
Payments to acquire tangible assets	(6,031)		(641)	
Net cash outflow for capital expenditure		(6,031)		(641)
Net cash inflow/(outflow) before management of liquid resources and financing		11,416		(137,447)
Financing				
Issue of ordinary share capital	-		144,000	
Net cash (outflow)/inflow from financing		-		144,000
Increase in cash in the year		11,416		(36,933)

H2O MARKETS LIMITED

NOTES TO THE CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 2015

1 Reconciliation of operating profit/(loss) to net cash (outflow)/inflow from operating activities	2015	2014
	£	£
Operating profit/(loss)	18,146	(152,785)
Depreciation of tangible assets	2,189	251
Increase in debtors	(15,717)	(12,996)
Increase in creditors within one year	12,829	28,724
Net cash inflow/(outflow) from operating activities	17,447	(136,806)

2 Analysis of net funds	1 October 2014	Cash flow	Other non-30 September cash changes	2015
	£	£	£	£
Net cash:				
Cash at bank and in hand	49,279	11,416	-	60,695
Bank deposits	-	-	-	-
Net funds	49,279	11,416	-	60,695

3 Reconciliation of net cash flow to movement in net funds	2015	2014
	£	£
Increase in cash in the year	11,416	6,553
Movement in net funds in the year	11,416	6,553
Opening net funds	49,279	42,726
Closing net funds	60,695	49,279

H2O MARKETS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2015

1 Accounting policies

1.1 Accounting convention

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards.

The director has prepared projected forecast information for the period ending 6 months from the date of their approval of these financial statements. On the basis of this information the director consider that the company will continue to meet its liabilities as they fall due.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

1.3 Turnover

Turnover comprises commission income from advisory brokerage services provided for on an accruals basis, excluding value added tax.

1.4 Research and development

1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Plant and machinery	33% on cost
Computer equipment	33% on cost
Fixtures, fittings & equipment	33% on cost

1.6 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.7 Deferred taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

2	Operating profit/(loss)	2015 £	2014 £
	Operating profit/(loss) is stated after charging:		
	Depreciation of tangible assets	2,189	251
	Research and development	6,732	-
	Operating lease rentals	38,269	23,450
	Auditors' remuneration (including expenses and benefits in kind)	5,000	5,000
	Director's remuneration	19,800	5,612
		<u> </u>	<u> </u>

H2O MARKETS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2015

3	Taxation	2015 £	2014 £
	Total current tax	-	-
	Factors affecting the tax charge for the year		
	Profit/(loss) on ordinary activities before taxation	18,146	(152,785)
	Profit/(loss) on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 20.00% (2014 - 20.00%)	3,629	(30,557)
	Effects of:		
	Non deductible expenses	1,995	2,408
	Depreciation add back	438	50
	Capital allowances	(1,206)	(128)
	Tax losses	(4,856)	28,227
		(3,629)	30,557
	Current tax charge for the year	-	-

The company has estimated losses of £ 709,528 (2014 - £ 737,462) available for carry forward against future trading profits.

4	Tangible fixed assets	Plant and machinery etc £
	Cost	
	At 1 October 2014	6,752
	Additions	6,031
	At 30 September 2015	12,783
	Depreciation	
	At 1 October 2014	6,249
	Charge for the year	2,189
	At 30 September 2015	8,438
	Net book value	
	At 30 September 2015	4,345
	At 30 September 2014	503

H2O MARKETS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2015

5	Debtors	2015	2014
		£	£
	Trade debtors	37,541	30,112
	Other debtors	16,297	8,009
		<u>53,838</u>	<u>38,121</u>
6	Creditors: amounts falling due within one year	2015	2014
		£	£
	Trade creditors	23,345	4,036
	Taxation and social security	624	2,365
	Other creditors	49,233	53,972
		<u>73,202</u>	<u>60,373</u>
7	Share capital	2015	2014
		£	£
	Allotted, called up and fully paid 412,004 ordinary shares of £1 each	<u>412,004</u>	<u>412,004</u>
8	Statement of movements on reserves	Share premium account	Profit and loss account
		£	£
	Balance at 1 October 2014	364,529	(749,003)
	Profit for the year	-	18,146
	Balance at 30 September 2015	<u>364,529</u>	<u>(730,857)</u>
9	Reconciliation of movements in Shareholders' funds	2015	2014
		£	£
	Profit/(Loss) for the financial year	18,146	(152,785)
	Proceeds from issue of shares	-	144,000
	Net addition to/(depletion in) shareholders' funds	<u>18,146</u>	<u>(8,785)</u>
	Opening Shareholders' funds	27,530	36,315
	Closing Shareholders' funds	<u>45,676</u>	<u>27,530</u>

H2O MARKETS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2015

10 Financial commitments

At 30 September 2015 the company was committed to making the following payments under non-cancellable operating leases in the year to 30 September 2016:

	Land and buildings	
	2015	2014
	£	£
Operating leases which expire:		
Between two and five years	23,320	23,320
	<u>23,320</u>	<u>23,320</u>

11 Control

No single entity controls the company.

12 Related party transactions

During the year the company incurred costs of £68,374 (2014: £22,017) in respect of compliance and strategic consultancy services from Exponential Solutions Limited. The company made sales to Exponential Solutions Limited of £20,010 (2014: ££4,911). At the year end, Exponential Solutions Limited owed H2O Markets £3,960 (2014: £nil). Exponential Solutions Limited is a related party as D Harris is a director. The transactions were undertaken at arm's length and on normal commercial terms.

During the year company made payments of £234 (2014: £1,708) to D Harris for expenses incurred on behalf of the company.

During the year the company incurred costs £107,478 (2014: £9,238) in respect of management charges from Berkeley and Bond Limited, a company of which J Blanchett is a director. The transactions were undertaken at arm's length and on normal commercial terms. There was no balance outstanding at the year end.

During the year the company made payments of £5,394 (2014: £1,400) to J Blanchett for expenses incurred on behalf of the company.