

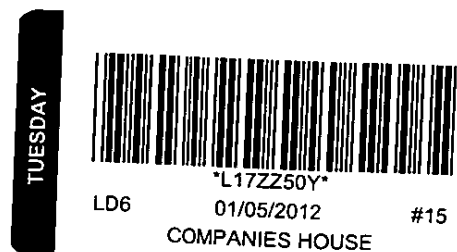
OANDA Europe Limited

Report and Financial Statements

Year Ended

31 December 2011

Company number 7110087



IBDO

OANDA Europe Limited

Report and financial statements for the year ended 31 December 2011

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Directors

Antony Broadbent
Daniel Rimer
Michael Stumm

Secretary and registered office

Pinsent Masons Secretarial Limited, 6th Floor, 52 Grosvenor Gardens, London, SW1W 0AU

Company number

7110087

Auditors

BDO LLP, 55 Baker Street, London, W1U 7EU

OANDA Europe Limited

Report of the directors for the year ended 31 December 2011

The directors present their report together with the audited financial statements for the year ended 31 December 2011

Results and dividends

The profit and loss account is set out on page 6 and shows the loss for the year

The directors do not recommend the payment of a dividend

Principal activities

The principal activity of the company is a foreign currency and commodities margin trading business offering customers access to the currency and commodities markets for speculative or investment purposes. This business is conducted through OANDA Europe Limited's (OANDA's) proprietary fxTrade Platform, a fully automated trading platform in which OANDA plays the role of market maker. In order to support exposures created by these transactions, customers are required to post collateral. Amounts received from customers are kept separately from the company's funds in segregated accounts under trust status for the benefit of clients. The company economically hedges its exposure with its parent company, OANDA Corporation, immediately upon the execution of a client trade to make sure it is not unacceptably exposed to material losses. The company became authorised and regulated by the Financial Services Authority on 17 May 2011.

Review of affairs

OANDA launched its fxTrade and FXGT businesses in Europe during 2011. Key milestones during the period were:

- Received FSA authorisation in May 2011
- Completed the build and test of operational infrastructure
- Launched fxTrade and FXGT businesses throughout the European Economic Area in June 2011
- Grew the business in accounts and trading volumes ahead of expectations
- Built the UK team by filling positions of Compliance Officer, Marketing Manager, Retail Sales - France, Institutional Sales - Northern Europe
- Relocated into City offices in November 2011

Future activities

During 2012 we expect to:

- Continue to rapidly expand the European business
- Make further additions to the team
- Extend our product offering into CFDs and other areas
- Expand our retail market presence through targeted PR, advertising, event and other promotional activities
- Build our institutional sales presence

OANDA Europe Limited

Report of the directors for the year ended 31 December 2011 (*continued*)

Financial risk management

The main financial risks arising from the company's activities are currency risk, fair value risk, credit risk, interest rate risk and liquidity risk. These are monitored by the board of director and were not considered to be significant at the balance sheet date.

The company's policy on currency and fair value risks on customer trades is to ensure they are hedged through counter trades with the parent company.

The company's policy in respect of credit risk, is to require appropriate initial and ongoing due diligence to be performed on the company's bankers.

The company's policy in respect of interest rate risk and liquidity risk is to maintain readily accessible bank accounts to ensure that the company has sufficient funds for operations.

Further details are disclosed in note 15 to the financial statements.

Directors

The directors of the company during the year were

Antony Broadbent
Daniel Rimer
Michael Stumm

Directors' responsibilities

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have 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 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 year.

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.

OANDA Europe Limited


Report of the directors for the year ended 31 December 2011 (*continued*)

Auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

By order of the board



Antony Broadbent
Director

24 April 2012

OANDA Europe Limited

Report of the independent auditors

TO THE SHAREHOLDERS OF OANDA EUROPE LIMITED

We have audited the financial statements of OANDA Europe Limited for the year ended 31 December 2011 which comprise the profit and loss account, the balance sheet, the cash flow statement 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities, 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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

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 2011 and of its loss 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 matters prescribed by the Companies Act 2006

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

OANDA Europe Limited

Report of the independent auditors (*continued*)

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



Andrew Richardson (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
London
United Kingdom

24 April 2012

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

OANDA Europe Limited

Profit and loss account for the year ended 31 December 2011

	Note	Year ended 31 December 2011 £	Period ended 31 December 2010 £
Turnover		403,675	-
Administrative expenses		(1,317,915)	(547,950)
Operating loss	2	(914,240)	(547,950)
Interest receivable and similar income		36,312	-
Interest payable and similar charges		(8,282)	(1,203)
Loss on ordinary activities before taxation		(886,210)	(549,153)
Taxation on loss on ordinary activities	4	-	-
Loss for the year		(886,210)	(549,153)

All amounts relate to continuing activities

There are no recognised gains and losses other than the loss for the current year and prior period

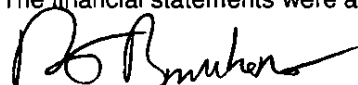
The notes on pages 9 to 18 form part of these financial statements

OANDA Europe Limited

Balance sheet at 31 December 2011

Company number 7110087	Note	2011 £	2011 £	2010 £	2010 £
Fixed assets					
Tangible assets	5		69,250		3,236
Current assets					
Debtors	6	224,963		8,458	
Cash at bank and in hand		33,578,678		1,568,391	
		<u>33,803,641</u>		<u>1,576,849</u>	
Creditors: amounts falling due within one year	7	<u>31,228,642</u>		<u>87,964</u>	
Net current assets			<u>2,574,999</u>		<u>1,488,885</u>
Net assets			<u>2,644,249</u>		<u>1,492,121</u>
Capital and reserves					
Called up share capital	8		4,000,000		2,000,000
Profit and loss account	9		(1,355,751)		(507,879)
Shareholders' funds	10		<u>2,644,249</u>		<u>1,492,121</u>

The financial statements were approved by the board of directors and authorised for issue on 24 April 2012



Antony Broadbent
Director

The notes on pages 9 to 18 form part of these financial statements

OANDA Europe Limited

Cash flow statement for the year ended 31 December 2011

	Note	Year ended 31 December 2011 £	Period ended 31 December 2010 £
Net cash inflow/(outflow) from operating activities	12	30,080,909	(427,939)
Capital expenditure and financial investment			
Purchase of tangible fixed assets		(70,622)	(3,670)
Net cash inflow/(outflow) before financing		30,010,287	(431,609)
Financing			
Issue of ordinary share capital		2,000,000	2,000,000
Increase in cash	13	32,010,287	1,568,391

The notes on pages 9 to 18 form part of these financial statements

OANDA Europe Limited

Notes forming part of the financial statements for the year ended 31 December 2011

1 Accounting policies

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

Turnover

All trading revenues are centralised within the parent company, as the trading platform is registered to OANDA Corporation. At the end of each quarter, an allocation between parent and subsidiary is calculated based on specific identification of trades relating to the customers registered with the relevant subsidiary (value of trades for the period in USD)

The net revenue from foreign exchange margin trading represents realised and unrealised gains and losses from the Company's closed and open positions with the parent company, net of realised and unrealised gains and losses on clients' closed and open positions with the customers. Realised gains and losses from closed trades are calculated using the specific identification method. Unrealised gains and losses on open trades are calculated using the prevailing spot rate of exchange on the reporting date.

Foreign exchange

Transactions denominated in foreign currencies are translated into sterling at the rates ruling at the dates of the transactions. The company's functional and presentational currency is Sterling as this is the primary economic environment in which the company operates.

Monetary assets and liabilities held in foreign currencies have been translated into sterling at the rates of exchange ruling at the period end. All transactions differences are dealt with in the profit and loss account.

Depreciation

Depreciation is provided to write off the costs, less estimated residual values, of all tangible fixed assets evenly over their expected useful lives. It is calculated on fixtures, fittings and equipment at 33% per annum.

Share based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to the profit and loss account over the vesting year. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each balance sheet date so that, ultimately, the cumulative amount recognised over the vesting year is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether the market vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modifications, is also charged to the income statement over the remaining vesting year.

Where performance shares are granted to employees, the fair value of the performance shares over and above the price paid for them by the employees is charged to the profit and loss account. The charge is spread over the year from their date of grant to the end of the vesting year.

OANDA Europe Limited

Notes forming part of the financial statements for the year ended 31 December 2011 (*continued*)

1 Accounting policies (*continued*)

Financial assets

Cash and cash equivalents

Cash and cash equivalents consist of the company's cash on hand and on short-term bank deposits with an original maturity of three months or less and therefore are subject to an insignificant risk of changes in value. Client monies are segregated from the company's own monies and are included from cash and cash equivalents.

Financial liabilities

Amounts due to customers

Amounts due to customers include amounts received from clients as margin, net of withdrawals, interest, unrealised gains and losses on clients' open positions, as well as gains and losses on closed positions. The fair value of clients' open positions is determined based on major financial institutions' quotations.

Current tax

UK Corporation tax is provided at amounts expected to be paid/recovered using the tax rates and laws that have been enacted or substantially enacted at the balance sheet date.

Deferred tax

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date except that the recognition of deferred tax assets is limited to the extent that the company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances are not discounted.

Leases

Operating lease rentals are charged to the profit and loss account on a straight line basis over the term of the lease.

2 Operating loss

	Year ended 31 December 2011 £	Period ended 31 December 2010 £
The operating loss is stated after charging		
Operating lease rentals	45,950	34,256
Depreciation	4,608	434
Staff costs (note 3)	465,202	371,397
Share based payments (note 11)	38,338	41,274
Auditors' remuneration		
- audit services	15,500	10,000
- tax services	5,000	4,500
	<hr/>	<hr/>

OANDA Europe Limited

Notes forming part of the financial statements for the year ended 31 December 2011 *(continued)*

3 Staff costs

	Year ended 31 December 2011 £	Period ended 31 December 2010 £
Staff costs during the year, including directors, were as follows		
Wages and salaries	413,424	329,253
Social security costs	51,778	42,144
	<u>465,202</u>	<u>371,397</u>

The average number of employees during the year was 3 Directors' emoluments for the year amounted to £232,082 (2011 - £195,000)

4 Taxation on loss from ordinary activities

	Year ended 31 December 2011 £	Period ended 31 December 2010 £
Loss on ordinary activities before tax	(886,210)	(549,153)
Loss on ordinary activities at the standard rate of corporation tax in the UK of 26.5% (2010 - 28%)	(234,846)	(153,763)
Effects of		
Expenses not deductible for tax purposes	11,186	11,557
Capital allowances for the year in excess of depreciation	(6,225)	(906)
Tax losses carried forward	229,885	143,112
Current tax charge for the year	<u>-</u>	<u>-</u>

At 31 December 2011, the company had a deferred tax asset of £336,430 (2010 - £143,112) in respect of tax losses carried forward. No provision for this deferred tax asset has been made in these financial statements.

OANDA Europe Limited

Notes forming part of the financial statements for the year ended 31 December 2011 *(continued)*

3 Staff costs

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OANDA Europe Limited

Notes forming part of the financial statements
for the year ended 31 December 2011 (*continued*)

5 Tangible assets

	Leasehold £	Fixtures, fittings and equipment £	Total £
<i>Cost</i>			
At 1 January 2011	-	3,670	3,670
Additions	42,522	28,100	70,622
	<hr/>	<hr/>	<hr/>
At 31 December 2011	42,522	31,770	74,292
	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>			
At 1 January 2011	-	434	434
Charge for the year	1,617	2,991	4,608
	<hr/>	<hr/>	<hr/>
At 31 December 2011	1,617	3,425	5,042
	<hr/>	<hr/>	<hr/>
<i>Net book value</i>			
At 31 December 2011	40,905	28,345	69,250
	<hr/>	<hr/>	<hr/>
At 31 December 2010	-	3,236	3,236
	<hr/>	<hr/>	<hr/>

6 Debtors

	2011 £	2010 £
Other debtors	214,143	5,670
Prepayments and accrued income	10,820	2,788
	<hr/>	<hr/>
	224,963	8,458
	<hr/>	<hr/>

7 Creditors: amounts falling due after more than one year

	2011 £	2010 £
Trade creditors	15,538	10,180
Other tax and social security	57,004	12,036
Amounts owed to group undertakings (note 16)	9,769,522	48,348
Accruals	35,341	17,400
Amounts due to customers	21,334,611	-
Other creditors	16,626	-
	<hr/>	<hr/>
	31,228,642	87,964
	<hr/>	<hr/>

OANDA Europe Limited

Notes forming part of the financial statements
for the year ended 31 December 2011 *(continued)*

8 Share capital

	2011 Number	Allotted, called up and fully paid 2010 Number	2011 £	2010 £
Ordinary shares of \$0.01 each	620,470,100	305,700,100	4,000,000	2,000,000

During the year, the company issued 314,770,000 (2010 - 305,700,100) ordinary shares of \$0.01 each at par for cash

9 Reserves

	Profit and loss account £
At 1 January 2011	(507,879)
Loss for the year	(847,872)
At 31 December 2011	(1,355,751)

10 Reconciliation of movement in shareholders' funds

	Year ended 31 December 2011 £	Period ended 31 December 2010 £
Loss for the year	(886,210)	(549,153)
Share based payments (note 11)	38,338	41,274
Issue of share capital	2,000,000	2,000,000
Net movement in shareholders' funds	1,152,128	1,492,121
Opening shareholders' funds	1,492,121	-
Closing shareholders' funds	2,644,249	1,492,121

OANDA Europe Limited

Notes forming part of the financial statements for the year ended 31 December 2011 *(continued)*

11 Share based payments

The company participates in the parent company's share option schemes for employees, in which participation is at the discretion of the directors of OANDA Corporation

The shares are in OANDA Corporation. The options have a five year vesting year and no attaching performance conditions. Options are forfeited if an individual ceases employment before the options are exercised. The options have a contractual life of 5 years.

	Year ended 31 December 2011 Weighted average exercise price	Year ended 31 December 2011 Number	Period ended 31 December 2010 Weighted average exercise price	Period ended 31 December 2010 Number
Issued during the year and at 31 December 2011	<u>\$27.42</u>	<u>120,500</u>	<u>\$28.00</u>	<u>113,500</u>

Of the total number of options outstanding at the end of the year 28,400 (2010 - 10,000) had vested and were exercisable at the end of the year, and 92,500 (2010 - 103,500) had not yet vested and were not exercisable at the end of the year. At 31 December 2011, the weighted average contractual remaining life of the options in issue was 3 years and 23 days (2010 - 3 years and 337 days).

The share based-remuneration reserve movement comprises

	Year ended 31 December 2011 £	Period ended 31 December 2010 £
Share option expense	<u>38,338</u>	<u>41,274</u>

The company did not enter into any share-based payment transactions with parties other than employees during the current year.

12 Reconciliation of operating loss to net cash inflow/(outflow) from operating activities

	Year ended 31 December 2011 £	Period ended 31 December 2010 £
Operating loss	(886,210)	(549,153)
Share based payments (note 11)	38,338	41,274
Depreciation	4,608	434
Increase in debtors	(216,505)	(8,458)
Increase in creditors	31,140,678	87,964
Net cash inflow/(outflow) from operating activities	<u>30,080,909</u>	<u>(427,939)</u>

OANDA Europe Limited

Notes forming part of the financial statements
for the year ended 31 December 2011 *(continued)*

13 Reconciliation of net cash outflow to movement in net debt

	Year ended 31 December 2011 £	Period ended 31 December 2010 £
Increase in cash in the year and closing net debt	<u>32,010,287</u>	<u>1,568,391</u>

14 Analysis of net debt

	At 1 January 2011 £	Cash flow £	Non-cash movement £	At 31 December 2011 £
Cash in hand and at bank	<u>1,568,391</u>	<u>32,010,287</u>	<u>-</u>	<u>33,578,678</u>

15 Financial instruments

At the year end, the carrying values for each category of financial instruments in respect of each class of financial assets and financial liabilities were as follows

	2011 £	2010 £
Financial assets		
Debtors	224,963	8,458
Cash at bank and in hand	<u>33,578,678</u>	<u>1,568,391</u>
	<u>33,803,641</u>	<u>1,576,849</u>
Non financial assets	69,250	3,236
	<u>33,872,891</u>	<u>1,580,085</u>
Financial liabilities		
Creditors	<u>31,228,642</u>	<u>87,964</u>
	<u>31,228,642</u>	<u>87,964</u>
Non financial liabilities	-	-
	<u>31,228,642</u>	<u>87,964</u>
Total liabilities	<u>31,228,642</u>	<u>87,964</u>

The directors believe that the carrying value of the company's financial instruments approximates their fair value. All financial assets and liabilities are due to mature within a year.

OANDA Europe Limited

Notes forming part of the financial statements for the year ended 31 December 2011 (continued)

15 Financial instruments (continued)

(a) Risk and risk management

Financial instruments comprise currency and commodity trades with the customers, which are hedged through counter trades with the parent company. The fair value movements on customer funds and open trades are accounted for in customer accounts.

(b) Liquidity risk

Liquidity risk is the risk that the company will encounter difficulty in meeting obligations associated with financial liabilities. The company's management is responsible for reviewing liquidity resources to ensure funds are readily available to meet its financial obligations as they come due, as well as ensuring adequate funds exist to support business strategies and operational growth. The company's business required capital for operating and regulatory purposes. The majority of the assets are highly liquid. The company has access to funds from its parent, if required.

(c) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss to the other party by failing to discharge an obligation. Credit risk arises from cash and cash equivalents held with banks and financial institutions and other accounts receivable. The maximum exposure of the company to credit risk before taking into account any collateral held or other credit enhancements is the carrying amount of the financial instruments.

One of the primary sources of credit risk to the company is the risk that counterparties to transactions do not fulfil their obligations. Counterparties primarily include banks and other financial institutions. Credit risk is minimal as the company deals with counterparties the company believes to be creditworthy, setting overall exposure limits with specific counterparties, monitoring credit exposure and obtaining collateral.

The total overdue and impaired balance at the year end was Nil (2010 - Nil).

(d) Market risk

Market risk is the risk that the fair value of the financial instrument will fluctuate because of changes in its market price. For purposes of this disclosure, the company separates market risk into three categories: fair value risk, interest rate risk and currency risk.

(i) Fair value risk

Fair value risk is the potential for loss from an adverse movement, excluding movements relating to changes in interest rates and foreign currency exchange rates, because of changes in market prices. Fair value changes may be experienced in a single financial instrument, or in a series of financial instruments in a particular industry sector, or in financial instruments globally as a result of adverse changes in capital markets.

The fair value movement on customer trades are hedged through counter trades with the parent company.

OANDA Europe Limited

Notes forming part of the financial statements for the year ended 31 December 2011 *(continued)*

15 Financial instruments *(continued)*

(d) Market risk *(continued)*

(ii) Interest rate risk

Interest rate risk relates to the risk that arises from the possibility that changes in interest rates will affect future cash flows of financial instruments. As at 31 December 2011, the company held all cash in bank accounts, therefore, interest rate risk is considered minimal.

Interest on customer funds are accounted for in customer accounts.

(iii) Currency risk

Currency risk is the risk that the value of financial instruments denominated in currencies other than the functional currency, British Pound, will fluctuate due to changes in foreign exchange rates. The majority of the company's assets are denominated in British Pound. The currency movement on customer funds are accounted for in customer accounts. All foreign exchange trades with customers are hedged through counter trades with the parent company.

At the year end, the carrying amounts of the company's foreign currency denominated monetary assets and monetary liabilities are as follows:

Foreign currency risk	Assets 2011 £'000	Assets 2010 £'000	Liabilities 2011 £'000	Liabilities 2010 £'000	Net 2011 £'000	Net 2010 £'000
AUD	1,688,865	655	1,571,103	655	117,762	-
CAD	236,353	642	692,000	642	(455,647)	-
CHF	2,574,124	686	3,033,852	686	(459,728)	-
EUR	10,133,594	857	8,843,229	857	1,290,365	-
HKD	198,267	83	239,803	83	(41,536)	-
JPY	170,359	789	302,029	789	(131,670)	-
SGD	421,260	501	409,784	501	11,476	-
USD	9,822,383	641	9,841,787	641	(19,404)	-
	25,245,205	4,854	24,933,587	4,854	311,618	-

The above analysis shows that the company has mismatches in its currency assets and liabilities. Hence movement in exchange rates will have an effect on the profitability of the company. This risk is constantly monitored and action is taken to reduce the risk when deemed necessary. The directors believe that there is no significant foreign exchange risk exposure.

OANDA Europe Limited

Notes forming part of the financial statements for the year ended 31 December 2011 (continued)

16 Commitments under operating leases

At 31 December 2011, the company had annual commitments under non-cancellable operating leases as set out below

	Year ended 31 December 2011 £	Period ended 31 December 2010 £
Operating leases which expire		
In two to five years	72,469	-

17 Related party transactions

All trading revenues are centralised within the parent company, as trading platform is registered to OANDA Corporation. The allocation from the parent company during the year amounted to £403,675 (2010 - £Nil), which was based on specific identification of trades relating to the customers registered with the company.

OANDA Corporation charges software licence fee in respect of trading platform, which is based on 20% of the revenue allocation. The software licence fee for the year amounted to £80,735 (2010 - £Nil).

A group undertaking, OANDA (Canada) Corporation UCL, charges business consulting fee in respect of recharge of IT, engineering and marketing expenses incurred in order to maintain the trading platform. The business consulting fee charged during the year amounted to £152,063 (2010 - £Nil).

The amounts payable to the related parties at 31 December 2011 are as follows

	2011 £	2010 £
OANDA Corporation, U S A	9,613,267	48,348
OANDA (Canada) Corporation UCL, Canada	151,243	-
OANDA Asia Pacific Pte Ltd, Singapore	5,012	-
	9,769,522	48,348

18 Client money

The company holds client money in accordance with client money regulations of the Financial Services Authority. Such money and corresponding liabilities are shown on the balance sheet.

At 31 December 2011, amounts held by the firm on behalf of clients amounted to £21,478,167 (2010 - £Nil).

19 Ultimate controlling party

At 31 December 2011 the company's ultimate controlling party was OANDA Corporation, a company incorporated in Delaware, United States of America.