

Company Registration Number 07657495



Kantox Limited

Annual report

31 December 2013

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Kantox Limited

Annual report

Period from 1 July 2012 to 31 December 2013

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Kantox Limited

Company information

The board of directors

Mr P Gellis
Mr A R Guix
Mr M Fodor
Mr P G Collombel

Registered office

Longcroft House
2-8 Victoria Avenue
London
EC2M 4NS

Auditor

Chantrey Vellacott DFK LLP
Chartered Accountants and Statutory Auditor
Russell Square House
10 - 12 Russell Square
London
WC1B 5LF

Kantox Limited

Directors' report

Period from 1 July 2012 to 31 December 2013

The directors present their report and the audited financial statements of the company for the period from 1 July 2012 to 31 December 2013.

Principal activities

The principal activity of the company during the year was that of developing and providing a platform for the matching of foreign exchange transactions at a retail level.

Directors

The directors who served the company during the period were as follows:

Mr P Gelis
Mr A R Guix
Mr M Fodor
Mr P G Collombel
Mr L Descout

Mr A R Guix was appointed as a director on 18 November 2013.
Mr M Fodor was appointed as a director on 18 November 2013.
Mr P G Collombel was appointed as a director on 18 November 2013.
Mr L Descout was appointed as a director on 16 January 2013.

Mr L Descout resigned as a director on 1 May 2013.
Idinvest Partners was appointed as a director on 21 February 2014.

Going concern

The company has raised £3.8m of new capital in order to finance the development period of the platform and its marketing to a critical mass of users. The Board expects this period to be two years and is confident that current resources will be sufficient to finance its plan for the foreseeable future. Accordingly, the Board considers it to be appropriate to prepare the accounts on a going concern basis.

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 period. 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 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;
- 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.

Auditor

Chantrey Vellacott DFK LLP are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

Kantox Limited

Directors' report (continued)

Period from 1 July 2012 to 31 December 2013

Each director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

Signed on behalf of the directors

Mr P Gelis

Director

Approved by the directors on 04/06/14

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KANTOX, LTD
Company Nr. 7657495
VAT 119 9629 74

Kantox Limited

Independent auditor's report to the shareholders of Kantox Limited

Period from 1 July 2012 to 31 December 2013

We have audited the financial statements of Kantox Limited for the period from 1 July 2012 to 31 December 2013 which comprise the profit and loss account, the statement of total recognised gains and losses, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the company's shareholders, 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 shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the directors' responsibilities statement set out on page 2, 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 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.

Kantox Limited

Independent auditor's report to the shareholders of Kantox Limited (continued)

Period from 1 July 2012 to 31 December 2013

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 2013 and of its loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; 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 period for which the financial statements are prepared is consistent with the financial statements.

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 directors were 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 directors' report and take advantage of the small companies' exemption from the requirement to prepare a strategic report.

Comparative period

The comparative period was not audited.

Chantrey Vellacott DFK LLP

IAN STAUNTON (Senior Statutory Auditor)
for and on behalf of CHANTREY VELLACOTT DFK LLP
Chartered Accountants and Statutory Auditor
London

4 June 2014

Kantox Limited**Profit and loss account****Period from 1 July 2012 to 31 December 2013**

	Note	Period from 1 Jul 12 to 31 Dec 13 £	Unaudited Year to 30 Jun 12 £
Turnover		276,740	6,865
Cost of sales		53,111	—
Gross profit		223,629	6,865
Administrative expenses		571,562	372,607
Operating loss	2	(347,933)	(365,742)
Interest receivable		1,377	168
Loss on ordinary activities before taxation		(346,556)	(365,574)
Tax on loss on ordinary activities		—	—
Loss for the financial period		(346,556)	(365,574)

Kantox Limited

Statement of total recognised gains and losses

Period from 1 July 2012 to 31 December 2013

	Period from 1 Jul 12 to 31 Dec 13 £	Unaudited Year to 30 Jun 12 £
Loss for the financial period attributable to the shareholders	(346,556)	(365,574)
Total recognised gains and losses relating to the period	(346,556)	(365,574)
Prior year adjustment (see note 3)	(245,588)	—
Total gains and losses recognised since the last annual report	(592,144)	(365,574)

Kantox Limited

Balance sheet

As at 31 December 2013

	Note	31 Dec 13 £	Unaudited 30 Jun 12 £
Fixed assets			
Intangible assets	4	743,695	—
Tangible assets	5	3,584	—
Investments	6	336,291	—
		<u>1,083,570</u>	<u>—</u>
Current assets			
Debtors	7	63,045	64,982
Cash at bank		3,092,191	544,417
		<u>3,155,236</u>	<u>609,399</u>
Creditors: amounts falling due within one year	8	<u>125,652</u>	<u>4,334</u>
Net current assets		3,029,584	605,065
Total assets less current liabilities		<u>4,113,154</u>	<u>605,065</u>
Capital and reserves			
Called up equity share capital	10	130,726	83,264
Share premium account	11	4,694,558	887,375
Profit and loss account	12	(712,130)	(365,574)
Shareholders' funds		<u>4,113,154</u>	<u>605,065</u>

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

These financial statements were approved by the directors and authorised for issue on 24.06.14, and are signed on their behalf by:

Mr P Gelis

Company Registration Number: 07657495

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Company Nr. 7657495
VAT 119 9629 74

The notes on pages 9 to 14 form part of these financial statements.

Kantox Limited

Notes to the financial statements

Period from 1 July 2012 to 31 December 2013

1. Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The company is entitled to take the disclosure exemptions available to small companies and has not presented consolidated accounts or a cash flow statement.

Turnover

Commission is recognised on the date that the underlying contract for currency is made; this date is generally the date of execution of the contract. The turnover shown in the profit and loss account represents amounts invoiced during the period, exclusive of Value Added Tax.

Intangible assets

The company recognises an intangible asset representing the cost of the development of the trading platform less amortisation. Cost includes all directly attributable expenditure relating mainly to the labour cost of programmers and their office accommodation costs but also includes relevant overheads.

Amortisation is charged at an amount variable to sales which is sufficient to fully expense the total forecast cost of the platform against total forecast sales. The forecasts are reviewed annually and the expense rate will be adjusted prospectively for significant variations.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Fixtures, fittings and equipment	- 20% reducing balance
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Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Deferred taxation

Deferred tax is recognised in respect of all material timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, except for the following;

No deferred tax asset is recognised in respect of either trading losses or Enhanced Qualifying R&D Expenditure until there is sufficient evidence available to the Board to conclude that the assets would be recoverable.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

Kantox Limited

Notes to the financial statements

Period from 1 July 2012 to 31 December 2013

1. Accounting policies (*continued*)

Financial instruments

Financial assets such as cash and debtors are measured at the present value of the amounts receivable, less an allowance for the expected level of doubtful receivables. Financial liabilities such as trade creditors, loans and finance leases are measured at the present value of the obligation. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

2. Operating loss

Operating loss is stated after charging/(crediting):

	Period from 1 Jul 12 to 31 Dec 13 £	Year to 30 Jun 12 £
Directors' remuneration	58,249	12,709
Amortisation of intangible assets	136,697	—
Depreciation of owned fixed assets	268	—
Net loss on foreign currency translation	58,948	6,273

3. Prior year adjustment

The prior year adjustment reflects the correction of the omission of a liability for consultancy services described in note 8.

4. Intangible fixed assets

	Intangible 2 £
Cost	
Additions	880,392
At 31 December 2013	880,392
Amortisation	
Charge for the period	136,697
At 31 December 2013	136,697
Net book value	
At 31 December 2013	743,695
At 30 June 2012	—

Kantox Limited

Notes to the financial statements

Period from 1 July 2012 to 31 December 2013

5. Tangible fixed assets

	Fixtures and fittings £	Equipment £	Total £
Cost			
Additions	3,002	850	3,852
At 31 December 2013	<u>3,002</u>	<u>850</u>	<u>3,852</u>
Depreciation			
Charge for the period	174	94	268
At 31 December 2013	<u>174</u>	<u>94</u>	<u>268</u>
Net book value			
At 31 December 2013	<u>2,828</u>	<u>756</u>	<u>3,584</u>
At 30 June 2012	-	-	-

6. Investments

	Investment in subsidiary undertakings £
Cost	
Additions	336,291
At 31 December 2013	<u>336,291</u>
Net book value	
At 31 December 2013	<u>336,291</u>
At 30 June 2012	-

In November 2013 the company acquired the whole of the issued share capital of Kantox SL, a company incorporated in the Kingdom of Spain and engaged in software development, for a consideration of €11,200. Subsequently the company subscribed for a further 400,000 shares of €1 each. The group qualifies as small under the Companies Act and is not required to prepare consolidated accounts. The following information relates to the subsidiary;

	Total €
Profit for the year	25,981
Capital and reserves	<u>428,559</u>

Kantox Limited

Notes to the financial statements

Period from 1 July 2012 to 31 December 2013

7. Debtors

	31 Dec 13 £	30 Jun 12 £
Trade debtors	46,345	–
Directors' current accounts	1,458	975
Other debtors	15,242	64,007
	<u>63,045</u>	<u>64,982</u>

Directors' current accounts relate to reimbursable expenses and were recovered after the balance sheet date.

8. Creditors: amounts falling due within one year

	31 Dec 13 £	30 Jun 12 £
Trade creditors	28,280	3,526
Amounts owed to undertakings in which the company has a participating interest	91,481	–
Other creditors	391	808
Accruals and deferred income	5,500	–
	<u>125,652</u>	<u>4,334</u>

9. Related party transactions

During the year unpaid share capital was settled against liabilities of the company recognised in respect of consultancy services provided by the shareholders concerned in the prior year. The total amount was £245,558. Within this amount the following amounts relate to directors of the company;

	£
P Gelis	23,906
A R Guix	19,559
M Fodor	62,303
L Descout	70,310

Additionally the company incurs management charges invoiced to it from its subsidiary company. A total of £712,884 was charged during the year and there was a balance outstanding at the end of the year amounting to £91,481.

No other transactions with related parties were undertaken such as are required to be disclosed under Financial Reporting Standard 8.



Kantox Limited

Notes to the financial statements

Period from 1 July 2012 to 31 December 2013

10. Share capital

Allotted, called up and fully paid:

	31 Dec 13		30 Jun 12	
	No	£	No	£
Ordinary shares (2012 - 83,264) of £1 each	90,014	90,014	83,264	83,264
Ordinary shares - Series A - of £1 each	40,712	40,712	-	-
	<u>130,726</u>	<u>130,726</u>	<u>83,264</u>	<u>83,264</u>

On 28 May 2013 the company issued and allotted 6,750 £1 ordinary shares for cash at par.

On 18 November 2013, the company issued and allotted 40,712 Series A shares. These were allotted for cash except that 4,676 were allotted to convert loans. All allotments were made at €112.44 per share.

Series A and Ordinary shares rank pair-passu in all respects except (a) for the effect of terms within a shareholders' agreement which act to vary the rights each class has to participate in profits available to equity shareholders and (b) that a majority of the Series A shareholders must agree to proposals made by the Board for the payment of dividends.

11. Share premium account

	Period from 1 Jul 12 to 31 Dec 13 £	Year to 30 Jun 12 £
Balance brought forward	887,375	887,375
Premium on shares issued in the period	3,807,183	-
Balance carried forward	<u>4,694,558</u>	<u>887,375</u>

12. Profit and loss account

	Period from 1 Jul 12 to 31 Dec 13 £	Year to 30 Jun 12 £
Balance brought forward as previously reported	(119,986)	-
Prior year adjustment (see note 3)	(245,588)	-
Balance brought forward restated	(365,574)	-
Loss for the financial period	(346,556)	(365,574)
Balance carried forward	<u>(712,130)</u>	<u>(365,574)</u>



Kantox Limited

Notes to the financial statements

Period from 1 July 2012 to 31 December 2013

13. Control

The company is not under the control of any third party.

14. Post balance sheet events

On 21 February 2014 the company bought back certain ordinary shares, converted them to Series A shares and, a new class of shares, Deferred shares, and reissued the Series A shares for €112.43 per share to a new shareholder. The Deferred shares are to be cancelled. The amount raised is equal to the amount paid to the departing shareholders.