Company Registration No. 07769255

Freepoint Commodities Services Ltd.

Report and Financial Statements

31 December 2014

Freepoint Commodities Services Ltd.
Company Registration No. 07769255

Report and financial statements 2014 and 2013

Contents

Freepoint Commodities Services Ltd.
Company Registration No. 07769255

Officers and professional advisers

Directors

Robert Feilbogen
Daniel Hecht
Giuseppe Minichiello

Secretary

Throgmorton Secretaries LLP

Registered Office

4th Floor Reading Bridge House
George Street
Reading
Berkshire
RG1 8LS

Principal Place of Business

157-197 Buckingham Palace Road
London
SW1W 9SP

Registered Number

07769255 (England and Wales)

Auditor

Deloitte LLP
London

Freepoint Commodities Services Ltd.
Company Registration No. 07769255

Strategic report

The directors, in preparing this strategic report, have complied with s414C of the Companies Act 2006.

Business review and results

Freepoint Commodities Services Ltd the "Company" was incorporated on 9 September 2011 to serve as the employing entity in the United Kingdom and to provide administrative services for affiliates within the United Kingdom, in particular Freepoint Commodities Europe LLP and Freepoint Commodities Trading LLP, as well as the Swiss and Asian subsidiaries of Freepoint Commodities Enterprises Ltd.

The Company, along with Freepoint Commodities Europe LLP and Freepoint Commodities Trading LLP, is fully consolidated by Freepoint Commodities Holdings Ltd., the sole shareholder.

The immediate parent of Freepoint Commodities Holdings Ltd. is Freepoint Commodities LLC (the "Parent Company"). The Company, along with its affiliates, are fully consolidated by the Parent Company (the "Group").

For the year ended 31 December 2014, the Company reported a net profit of $0.6 million (compared to $0.1 million net loss for the year ended 31 December 2013). The Company recharges administrative personnel costs and certain other overheads to affiliates in United Kingdom, Switzerland and Asia at a mark-up of 8%, which is in accordance with international transfer pricing rules within those jurisdictions. The Company also charges affiliates within the United Kingdom an administration fee for front office personnel but other costs such as audit fees are borne directly by the Company. Direct front office costs also continued to be allocated to the trading entities at a flat rate. Additionally, in 2014, the Company revised its transfer pricing policy and began allocating depreciation and amortisation costs at a flat rate to trading entities. Upon formation of the business and the transfer pricing policy, the Company did not anticipate the volume of tangible and intangible assets the Company would acquire and thus the level of depreciation and amortization was higher than expected. The directors feel this change in policy is still in accordance with UK tax requirements and applicable transfer pricing regulations within the affiliates' jurisdictions. In 2013, these depreciation and amortisation costs were borne by the Company, and were a significant driver of the prior year net loss.

Earnings before interest, taxes, depreciation and amortisation ("EBITDA") increased to $1.9 million as compared to $1.0 million for the prior year as the recharge of depreciation and amortisation costs are included in management fee revenue for 2014.

Key performance indicators

Given the increase in depreciation recharges in 2014 discussed above, the gross profit margin increased from 1% to 3%. However, although this increase was offset by an increase in funding costs of 10%, the Company earned a net profit for the period of $0.6 million, and EBITDA increased by 101%.

The Company continues to borrow funds from the Parent Company to cover its costs for services. However, this liability is offset by the receivables incurred upon the allocation of costs to affiliates. The Company has the ability to net amounts due to and from affiliates and therefore has minimal risk of default on borrowings from the Parent Company. Consistent with the change in the transfer pricing policy in 2014, the Company has a net receivable from affiliates given the markup charged on certain costs. This resulted in an increase in the current ratio from .39 to .63. Furthermore, the positive cash balance, as demonstrated in the Cash Flow Statement, means the Company has a solid platform from which to manage future requirements, in particular, its ability to pay back these aforementioned borrowings.

The liabilities/equity ratio is 8.7 compared to 48.3 at the previous year end. The significant decrease in this ratio since prior year end is a result of the positive net profit, which increased member's equity by a much higher percentage than the increase in liabilities. Moreover, the Company has no external borrowings and does not expect to have net payables to affiliates for the foreseeable future. The directors are comfortable that the net worth will increase as a result of future profitability.

Freepoint Commodities Services Ltd.
Company Registration No. 07769255

Strategic report

Principal risks and uncertainties

The Company enters into employment and administrative agreements which expose it to foreign exchange and liquidity risks.

The Company's risks are managed at the Group level. The Group seeks to minimise the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Group's policies approved by senior management of the Parent Company.

The Group regards the monitoring and controlling of risk as a fundamental part of the management process. The Parent Company's finance and risk professionals, monitor, manage and report regularly to senior management and the Board of Directors of the Parent Company, on the approach and effectiveness in managing financial risks along with exposures facing the Group. Before the Company transacts in any new business, it is required to obtain approval as appropriate.

1.1 Liquidity Risk Management

The Parent Company manages liquidity risk by maintaining adequate reserves, banking facilities and by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. The Company expects to meet its other obligations from operating cash flows and proceeds of maturing financial assets.

1.2 Foreign Currency Risk Management

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed at the Group level within approved policy parameters utilising forward exchange contracts. These forward exchange contracts cover foreign currency payments and receipts for the total exposure generated by the Group.

Future developments

Given the comfort derived from the Company's future profitability and current liquidity ratios, and given the nature of the Company's business in providing services to other group companies, at a mark-up, the directors are of the opinion that the Company will remain profitable in the coming year. Management will also undertake a review of the mark-up policy and will adjust the mark-up should that be deemed to be appropriate.

Events after the balance sheet date

Details of significant events since the balance sheet date are contained in note 23 to the financial statements.

Approval

Approved by the Board and signed on its behalf by:

Giuseppe Minichiello

Director
14 August 2015

Freepoint Commodities Services Ltd.
Company Registration No. 07769255

Directors' report

The directors present their report and the audited financial statements of Freepoint Commodities Services Ltd. (the "Company") for the years ended 31 December 2014 and 2013.

Going concern

The Company operates by recharging costs at a markup to other Group entities. Senior Management continually monitors the basis of the transfer pricing policy and in particular, markup percentages, to ensure the Company is adequately compensated for the services it provides. The Company continues to operate with positive shareholder's equity and forecasts and projections show that this will be maintained in the foreseeable future.

The directors therefore have a reasonable expectation that the Company have adequate resources to continue in operational existence and thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Share capital

The Company authorised and issued one share on 13 September 2011 for par value of £1. All shares are held by the Freepoint Commodities Holdings Ltd. The Company is not subject to any externally imposed capital requirements and does not rely on any external borrowings.

Dividends

The directors do not recommend the payment of a dividend for the years ended 31 December 2014 and 2013.

Directors

The Company is governed by a board of three directors, two of whom are employed by the Parent Company, and one employed by the Company The directors who served during the period were as follows:

Robert Feilbogen
Daniel Hecht
Giuseppe Minichiello

Directors Indemnities

The Company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all the steps that he ought to have taken as a direction in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

Freepoint Commodities Services Ltd.
Company Registration No. 07769255

Directors' report

Deloitte LLP have expressed their willingness to continue in office as auditor and a resolution to reappoint them will be proposed.

Approved by the Board of Directors
and signed on behalf of the Board

Giuseppe Minichiello
Director

14 August 2015

Director's responsibilities statement

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

Company law requires the directors to prepare such financial statements for each financial period. Under that law the directors are required to prepare the financial statements in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union. Under the company law the directors must not approve the accounts 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, International Accounting Standard 1 requires that directors:

- properly select and apply accounting policies
- present information, including accounting principles, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the company's ability to continue as a going concern.

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 to 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.

Independent auditor's report to the members of Freepoint Commodities Services Ltd.

We have audited the financial statements of Freepoint Commodities Services Ltd for the year ended 31 December 2014 which comprise the Statements of financial position, the Statements of profit or loss and other comprehensive income, the Statements of changes in shareholder's equity and the Cash flow statement, and the related notes 1 to 23. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

This report is made solely to the company's member, 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 member 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 member 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, 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.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

Independent auditor's report to the members of Freepoint Commodities Services Ltd.

We have audited the financial statements of Freepoint Commodities Services Ltd for the year ended 31 December 2014 which comprise the Statements of financial position, the Statements of profit or loss and other comprehensive income, the Statements of changes in shareholder's equity and the Cash flow statement, and the related notes 1 to 23. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

This report is made solely to the company's member, 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 member 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 member 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, 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.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

Independent auditor's report to the members of Freepoint Commodities Services Ltd.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Russell Davis FCA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom

14 August 2015

Freepoint Commodities Services Ltd.
Company Registration No. 07769255

Statements of profit or loss and other comprehensive income or loss For the years ended 31 December 2014 and 2013

	Note	2014 $'000	2013 $'000
Management fee revenue	6	29,651	25,233
Operating expenses:			
Staff costs	8	(22,547)	(19,140)
Other general and administrative costs		(6,114)	(5,969)
Depreciation and amortisation		(771)	(716)
Total operating expenses		(29,432)	(25,825)
Other income - net	9	924	827
Finance costs	10	(331)	(300)
Total profit/(loss) before tax		812	(65)
Income tax expense	11	(224)	-
Profit/(loss) after tax and total comprehensive income/(loss) for the year		588	(65)

All activities derive from continuing operations.

The accompanying notes form an integral part of these financial statements.

Freepoint Commodities Services Ltd.
Company Registration No. 07769255

Statements of financial position
As at 31 December 2014 and 2013

	Note	2014 $'000	2013 $'000
Assets			
Current assets			
Cash and cash equivalents		583	961
Trade and other debtors		-	260
Due from affiliates		2,371	-
Prepaids and other current assets	12	913	959
Total current assets		3,867	2,180
Non-current assets			
Property and equipment - net	13	966	1,357
Intangible assets – net	14	879	1,092
Other assets	12	1,092	1,144
Total assets		6,804	5,773
Liabilities and shareholder's equity			
Current liabilities			
Trade and other creditors	15	423	303
Due to affiliates		-	239
Accrued and other liabilities	17	5,678	5,116
Total current liabilities		6,101	5,658
Total liabilities		6,101	5,658
Shareholder's equity			
Share capital, £1 par value per share - authorised 1 share; and outstanding, 1 share		-	-
Accumulated retained earnings		703	115
Total Shareholder's equity		703	115
Total liabilities and shareholder's equity		6,804	5,773

The accompanying notes form an integral part of these financial statements.

The financial statements of Freepoint Commodities Services Ltd, registered number 07769255 were approved by the Board of Directors on 14 August 2015.

Signed on behalf of the Board of Directors

Giuseppe Minichiello
Director

Freepoint Commodities Services Ltd.
Company Registration No. 07769255

Statements of changes in member's equity
For the years ended 31 December 2014 and 2013

	Share Capital $'000	Accumulated retained earnings $'000	Total Shareholder's equity $'000
At 31 December 2012	-	180	180
Net loss for the year	-	(65)	(65)
At 31 December 2013	-	115	115
Net profit for the year	-	588	588
At 31 December 2014	-	703	703

The accompanying notes form an integral part of these financial statements.

Freepoint Commodities Services Ltd.
Company Registration No. 07769255

Cash flow statement
For the years ended 31 December 2014 and 2013

	2014 $'000	2013 $'000
Cash flows from operating activities		
Net profit/(loss) for the year	588	(65)
Adjustments for:		
Depreciation and amortisation	771	716
Financing costs recognised in profit or loss	331	300
Income tax expense recognised in profit or loss	224	-
Net foreign exchange loss	19	71
	1,345	1,087
Movements in working capital:		
Due from affiliates	(2,371)	-
Prepaids and other assets	1,067	588
Trade and other debtors	245	113
Due to affiliates	(239)	(2,405)
Trade and other creditors	(105)	88
Accrued and other liabilities	563	2,727
	505	2,198
Net cash provided by operating activities	1,093	2,133
Cash flows from investing activities		
Payments for property and equipment	(167)	(70)
Payments for intangible assets	-	(17)
Loans made to related parties	(990)	(1,250)
Net cash used in investing activities	(1,157)	(1,337)
Cash flows from financing activities		
Financing costs	(331)	(300)
Net cash used in financing activities	(331)	(300)
Net (decrease)/increase in cash and cash equivalents	(395)	496
Cash and cash equivalents - Beginning of the year	961	444
Effect of exchange rate fluctuations on cash held	17	21
Cash and cash equivalents — End of the year	583	961

The accompanying notes form an integral part of these financial statements.

Notes to the financial statements
For the years ended 31 December 2014 and 2013

1 General information

Freepoint Commodities Services Ltd. (the "Company") is a wholly owned subsidiary of Freepoint Commodities Holdings Ltd, domiciled in the United Kingdom. Freepoint Commodities Holding Ltd. is a wholly owned subsidiary of Freepoint Commodities LLC (the "Parent Company"), which is domiciled in the United States of America. The Company is incorporated in the United Kingdom under the Companies Act 2006 and began operations on 9 September 2011. The registered office is located at 4th Floor, Reading Bridge House, George Street, Reading RG1 8LS. The Company was established to serve as the central employing and administrative entity for business within the United Kingdom. It also performs an administrative function for other businesses in Europe and Asia.

2 Adoption of new and revised standards

In the current period, no new and/or revised standards have been adopted in these financial statements.

At the date of authorisation of these financial statements, the following standard, was in issue, but has no impact on the Company:

Amendments of IAS 16 and IAS 38 Clarification of Acceptable Methods of Depreciation and Amortisation

The amendments to IAS 16 prohibit entities from using a revenue-based depreciation method for items of property, plant, and equipment. The amendments to IAS 38 introduce a rebuttable presumption that revenue is not an appropriate basis for amortization of an intangible asset. The amendments are applicable for annual periods beginning on or after January 1, 2016. These amendments are not applicable to the Company as revenue is not used as a basis for depreciation or amortisation of property, equipment, or intangible assets.

3 Summary of significant accounting policies

3.1 Basis of preparation and accounting policies

The financial statements of the Company have been prepared in accordance with IFRS as adopted by the EU.

The financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

The principal accounting policies are set out below.

3.2 Going concern

Given the Company recharges costs at a markup the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

3.3 Revenue recognition

The Company was established to serve as the central employing and administrative entity for affiliates within the United Kingdom and serve an administrative function for other affiliates within Europe and Asia.

Revenue is earned by allocating the expenses of the Company as a management fee based on trader headcount and time apportionment. To ensure the expenses are recharged at arm's length the Company recharges certain costs to UK affiliates with an 8% mark-up on costs. These mark-ups are presented separately from the management fee revenue in profit or loss within 'Other income.'

3.4 Financial instruments and fair value

Financial assets and financial liabilities are recognised in the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Financial assets and financial liabilities expected to settle within the next 12 months are classified as current, and those expected to be settled beyond 12 months are classified as noncurrent.

3.5 Financial assets

Financial assets are classified as loans and receivables. Trade and other debtors that have fixed or determinable payments and that are not quoted in an active market and margin/collateral balances are classified as loans and receivables. Loans and receivables are measured at amortised cost using the effective interest rate method, less any impairment, except for short-term receivables when recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a financial asset and allocating interest expense over the relevant period.

3.5.1 Impairment of Financial Assets

Financial assets are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the asset have been adversely impacted.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

As at 31 December 2014 and 2013, no impairment indicators existed for financial assets carried at amortised cost.

3.5.2 Derecognition of Financial Assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company retains substantially all the risks and rewards of ownership of a transferred asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

3.6 Financial Liabilities

Financial liabilities are classified as other financial liabilities. Other financial liabilities are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest rate method, with interest expense recognised on an effective yield basis, except for short-term liabilities when recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period.

3.6.1 Derecognition of Financial Liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled, or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Notes to the financial statements
For the years ended 31 December 2014 and 2013

3.7 Leasing

Operating lease payments are recognised as an expense on a straight-line basis over the lease term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed. In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

3.8 Foreign currencies

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The financial statements are presented in U.S. dollar (USD), which is the Company's functional currency.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign currency transaction gains and losses are presented in profit or loss within 'Other income.'

3.9 Cash and cash equivalents

At 31 December 2014 and 2013, cash at bank and in hand are composed of cash held at several financial institutions. The carrying amount of these assets is approximately equal to fair value.

3.10 Trade and other debtors

Trade and other debtors are composed of short-term loans to related parties.

3.11 Property and equipment

Property and equipment are valued at cost, less accumulated depreciation and any recognised impairment loss. Depreciation expense is recognised using the straight-line method over the estimated useful lives of property and equipment, beginning on the date the assets are available for use. The following useful lives are assumed:

Furniture and fixtures	7 years
Office equipment	2 to 5 years
Leasehold improvements	4 years
Software	5 years

Office equipment represents equipment purchased and used in the daily operation of the business.

Leasehold improvements represent permanent improvements, such as additions, alterations, remodelling, or renovations, made to leased property which increase the value of the leased asset. The useful life for all leasehold improvements will be the lesser of the remaining time on the lease or the asset's useful life.

Software represents computer software integral to the equipment purchased.

Notes to the financial statements
For the years ended 31 December 2014 and 2013

3.12 Intangible assets

Intangible assets are valued at cost, less accumulated amortisation and impairment. Amortisation expense is recognised using the straight-line method over the estimated useful lives of the intangible assets, beginning on the date the assets are available for use. As at 31 December 2014 and 2013, intangible assets consist solely of computer software not integral to the operation of equipment purchased and software development costs for add-on functionality to such software. The estimated useful life of intangible software is five to seven years. The Company does not hold any intangible assets with indefinite useful lives.

Intangible assets are tested for impairment when impairment indicators exist. On derecognition of the asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

3.13 Prepaids and other assets

Prepaids and other assets primarily consist of prepaid compensation, deposits made to the third parties and expenses paid in advance. These costs and expenses paid in advance are amortised over their related service period.

3.14 Trade and other creditors

Trade and other creditors are primarily composed of amounts due to suppliers.

3.15 Retirement benefit costs

Payments to defined contribution retirement benefit schemes are recognised as an expense when employees have rendered service entitling them to the contributions.

3.16 Taxes

The Company is a tax-paying entity, and may be subject to current and deferred tax. As a member of a UK tax group, the Company may surrender or receive losses from other members of the tax group under UK legislation, for nil consideration.

3.16.1 Current Tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit or loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using the local tax rate that has been enacted or substantively enacted by the end of the reporting period.

3.16.2 Deferred Tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the Company believes it is probable that taxable income for those subsidiaries and states will be available against which such differences can be deducted.

The carrying amount of unrecognized deferred tax assets is reviewed at the end of each reporting period and to the extent it becomes probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered, the asset is recognized.

Notes to the financial statements
For the years ended 31 December 2014 and 2013

Deferred tax liabilities and assets are measured at the local tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

4 Critical accounting judgements

The preparation of the financial statements requires that management make estimates and assumptions that will affect the amounts reported in the financial statements and accompanying notes. Although we believe the estimates and assumptions are reasonable, actual amounts ultimately may differ significantly from those estimates.

Estimates and underlying assumptions are reviewed on an on going basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and any future periods affected.

4.1 Critical judgements in applying the company's accounting policies

The following are critical judgements, apart from those involving estimations (which are dealt with separately below), that the Company has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

4.2 Impairments

Financial assets, property and equipment and finite-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value may not be fully recoverable. If an asset's recoverable amount is less than the asset's carrying amount, an impairment loss is recognised. For all non-financial assets, future cash flow estimates which are used to calculate the asset's fair value are based on expectations about future operations primarily comprising estimates about operating costs and capital expenditures. Changes in such estimates could impact recoverable values of these assets. Estimates are reviewed regularly by management.

5 Key sources of estimation uncertainty

The Company does not have any significant sources of estimation uncertainty at the end of the reporting period, which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

6 Management fee revenue

Total management fee revenue earned by recharges to affiliates for the years ended 31 December 2014 and 2013, consisted of the following:

	2014 $'000	2013 $'000
Personnel costs	22,547	19,140
Other general and administrative costs	6,014	5,793
Depreciation and amortisation (i)	759	-
Finance Costs	331	300
Total	29,651	25,233

(i) Depreciation and amortisation costs were recharged to affiliates beginning 1 January 2014.

Notes to the financial statements
For the years ended 31 December 2014 and 2013

7 Auditor's remuneration

The auditor's remuneration for audit work performed for the Company and UK affiliates, included in other general and administrative costs, was $0.1 million and $0.1 million for the years ended 31 December 2014 and 2013, respectively.

8 Staff costs

The remuneration of directors for the years ended 31 December 2014 and 2013 was $0.4 million and $0.4 million, respectively, and is included within the staff costs disclosed below

The average monthly number of employees was 57 for the year ended 31 December 2014. The average monthly number of employees was 46 for the year ended 31 December 2013.

Their aggregate remuneration comprised:

	2014 $'000	2013 $'000
Wages and salaries	18,351	16,151
Social security costs	2,388	779
Other benefit costs	1,808	2,210
Total	22,547	19,140

9 Other income – net

Other income as at 31 December 2014 and 2013 consisted of the following:

	2014 $'000	2013 $'000
Transfer pricing income	916	811
Unrealised foreign exchange loss	(38)	(93)
Realised foreign exchange gain	57	63
Other (loss)/income	(11)	46
Total	924	827

10 Finance costs

Finance costs for the years ended 31 December 2014 and 2013 consisted of interest charged on borrowings from the Parent Company and affiliates. The interest charge is based upon the weighted average interest rate on external borrowings of the Parent Company and its subsidiaries. For the years ended 31 December 2014 and 2013, the borrowing rates were between 3.44% and 3.86% and 2.29% and 3.20%, respectively.

Notes to the financial statements
For the years ended 31 December 2014 and 2013

11 Tax on profit/(loss) on ordinary activities

The Company has current taxes payable and expense of approximately $0.2 million and nil for the years ended 31 December 2014 and 2013.

Factors affecting corporation tax charge for the year

The charge for the years can be reconciled to the profit/(loss) in the income statements as follows:

	2014 $'000	2013 $'000
Profit/(loss) on ordinary activities before taxation	812	(65)
Profit on ordinary activities multiplied by the standard rate of UK corporation tax of 21.49% (2014); 23.25% (2013)	175	15
Effects of:		
Permanent differences	3	(30)
Timing differences	50	(117)
Group relief claimed	(4)	132
Current tax charge for the year	224	-

UK corporation tax is calculated at 21.49% (2013: 23.25%) of the estimated assessable profits for the year. The standard rate of UK corporation tax was reduced from 23% to 21% with effect from 1 April 2014.The Finance Act 2013, which provides for reductions in the main rate of UK corporation tax to 21% effective from 1 April 2014, and 20% effective from 1 April 2015, was enacted on 17 July 2013.

Further, the Summer Budget presented by the Chancellor in July 2015 included an announcement that the main rate of UK corporation tax will reduce to 19% effective from 1 April 2017 and reduce further to 18% effective from 1 April 2020. These rates are expected to be enacted when the Finance Bill introduced in July 2015 receives Royal Assent.

The Company has deferred tax assets of approximately $0.1 million and $0.1 million for the years ended 31 December 2014 and 2013, respectively, which are not being recognized under IFRS. These unrecognized deferred tax assets as of 31 December 2014 and 2013, consisted of the following (in thousands):

	2014 $'000	2013 $'000
Deductible temporary differences	125	71
	125	71

The Company applies the guidance within IAS 37 — *Provisions, Contingent Liabilities and Contingent Assets* and IAS 12 – *Income Taxes* regarding contingent liabilities and assets. There are no contingent tax liabilities or assets as at and for the years ended 31 December 2014 and 2013.

12 Prepaids and other assets

Prepaids and other assets as at 31 December 2014 and 2013 consisted of the following:

	2014 $'000	2013 $'000
Current:		
Prepaid personnel costs	526	730
Deposits	37	4
Other prepaid operating costs	350	225
	913	959
Non-current:		
Prepaid personnel costs	96	109
Loans to related parties	990	990
Deposits	5	41
Other prepaid operating costs	1	4
	1,092	1,144
Total prepaids and other assets	2,005	2,103

13 Property and equipment

Property and equipment as at 31 December 2014 and 2013 consisted of the following:

	Leasehold improvements $'000	Office equipment $'000	Software $'000	Furniture and fixtures $'000	Total $'000
Cost					
At 31 December 2012	273	1,693	14	54	2,034
Additions	8	117	-	-	125
At 31 December 2013	281	1,810	14	54	2,159
Additions	83	84	-	-	167
At 31 December 2014	364	1,894	14	54	2,326
Accumulated depreciation					
At 31 December 2012	(55)	(233)	(4)	(7)	(299)
Depreciation expense	(69)	(423)	(3)	(8)	(503)
At 31 December 2013	(124)	(656)	(7)	(15)	(802)
Depreciation expense	(80)	(467)	(3)	(8)	(558)
At 31 December 2014	(204)	(1,123)	(10)	(23)	(1,360)
Net property and equipment					
At 31 December 2013	157	1,154	7	39	1,357
At 31 December 2014	160	771	4	31	966

Notes to the financial statements
For the years ended 31 December 2014 and 2013

14 Intangible assets

Intangible assets at 31 December 2014 and 2013 consisted of the following:

	$'000
Cost	
At 31 December 2012	1,426
Additions	36
At 31 December 2013	1,462
Additions	-
At 31 December 2014	1,462
Accumulated amortisation	
At 31 December 2012	(157)
Amortisation expense	(213)
At 31 December 2013	(370)
Amortisation expense	(213)
At 31 December 2014	(583)
Net intangible assets	
at 31 December 2013	1,092
at 31 December 2014	879

15 Trade and other creditors

Trade and other creditors as at 31 December 2014 and 2013 consisted of the following:

	2014 $'000	2013 $'000
Income tax payables	224	-
Indirect tax payables	18	14
Other payables	181	289
Total	423	303

16 Related parties

Freepoint Commodities Services Ltd. is a wholly owned subsidiary of Freepoint Commodities Holdings Ltd, domiciled in the United Kingdom.At 31 December 2014 and 2013, key management personnel of the Parent Company controlled 21.5% and 21.4%, respectively, of the voting shares of Freepoint Commodities Holdings LLC, the Parent of Freepoint Commodities LLC. At 31 December 2014 and 2013, the Parent Company controlled 100% and 100%, respectively, of the voting shares of Freepoint Commodities Holdings Ltd.

The immediate parent of Freepoint Commodities Holdings Ltd. is Freepoint Commodities LLC. The ultimate parent and controlling party is Freepoint Commodities Holdings LLC, a company incorporated in the United States of America. The smallest and largest groups into which the Company's results are included are the group accounts of Freepoint Commodities Holdings Ltd and Freepoint Commodities LLC, respectively. A copy of the accounts of Freepoint Commodities LLC may be obtained from 58 Commerce Road, Stamford, CT 06902, United States of America.

The remuneration of officers and other members of key management personnel of the Company for the years ended 31 December 2014 and 2013, was $0.4 million and $0.4 million, respectively. This remuneration represents short-term benefits provided to key management.

For the years ended 31 December 2014 and 2013, the Company charged certain affiliates $29.6 million and $25.2 million in management fees, respectively, and $0.9 million and $0.8 million in transfer pricing mark-ups, respectively.

Total loans due from members of Freepoint Commodities Holdings LLC as of December 31 2014 and 2013, were $1.0 million and $1.0 million, respectively.

17 Accrued and other liabilities

Accrued and other liabilities as at 31 December 2014 and 2013 consisted of the following:

	2014 $'000	2013 $'000
Accrued compensation	5,432	4,631
Unpaid professional services	87	242
Other	159	243
Total	5,678	5,116

18 Commitments and contingencies

The Company has entered into employment agreements and is committed to pay sign-on bonuses and guaranteed minimum bonuses to certain employees. Employees who receive sign-on bonuses are required to reimburse the Company if they leave within a specific time frame. The Company amortises these bonuses on a straight-line basis over the related retention period. Furthermore, employees must be actively employed at the time of payment to receive bonuses. As at 31 December 2014 and 2013, unpaid sign-on bonuses were $0.7 million and $ 2.0 million, of which $0.4 million and $1.6 million, respectively, were included in accrued compensation expense.

As at 31 December 2014 and 2013, total guaranteed minimum bonuses of nil and $1.0 million, respectively, which are included in accrued compensation. Total discretionary bonuses for 2014 and 2013 were $4.1 million and $0.5 million, respectively, which are included in accrued compensation.

As at 31 December 2014 and 2013, the Company has not been involved in any legal claims or unresolved disputes which could result in a contingent liability.

19 Operating lease arrangements

The Company has entered into a building lease, the payments under which are treated as rent and charged to profit or loss on the straight-line basis over the term of the lease. Total minimum lease payments for the years ended 31 December 2014 and 2013, were $0.3 million and $0.4 million, respectively.

Minimum lease payments, at 31 December 2014 and 2013, under non-cancellable operating leases were as follows:

	2014 $'000	2013 $'000
Not later than 1 year	256	367
Later than 1 year and not longer than 5 years	-	273
Later than 5 years	-	-
Total	256	640

20 Financial risk management

The Company derives its revenue by allocating expenses of the Company to certain affiliates within the United Kingdom, Europe and Asia. To ensure the expenses are recharged at arm's length the Company recharges certain costs within the UK with an 8% mark-up on costs.

20.1 Financial risk management objectives

The Company enters into employment and administrative agreements which expose it to foreign exchange and liquidity risks. These risks are managed by management at the Group level. The Group seeks to minimise the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Group's policies approved by senior management.

The Group regards the monitoring and controlling of risk as a fundamental part of the management process. The Parent Company's finance, credit and risk professionals, monitor, manage and report regularly to senior management of the Parent Company on the approach and effectiveness in managing financial risks along with exposures facing the Group. Also, before the Company transacts in any new business, it is required to obtain approval as appropriate.

20.2 Foreign currency risk management

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed at the Group level within approved policy parameters utilising forward exchange contracts.

20.2.1 Forward Foreign Exchange Contracts

It is the policy of the Group to enter into forward exchange contracts to cover foreign currency payments and receipts for the total exposure generated by the Group.

20.3 Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the liquidity risk committee, which monitors forecasts and actual operating cash flows and reports to senior management of the Parent Company. The Parent Company manages liquidity risk by maintaining adequate reserves, banking facilities and by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. The Company expects to meet its other obligations from operating cash flows and proceeds of maturing financial assets.

The following tables detail the Company's remaining expected maturity for its non derivative financial assets and the contractual maturity for its non derivative financial liabilities. The tables are based on the cash flows of financial assets and liabilities as follows.

Financial Assets — Based on the contractual maturities of the financial assets, except where the Company anticipates that the cash flow will occur in a different period.

Financial Liabilities — Based on the earliest date on which the Company can be required to pay.

2014	1 year or less $'000	1–5 years $'000	Greater than 5 years $'000	Total $'000
Non-Derivative Financial Assets				
Cash	583	-	-	583
Due from affiliates	2,371	-	-	2,371
Prepaids and other current assets	563	-	-	563
Other assets	-	1,091	-	1,091
Total	3,517	1,091	-	4,608
Non-Derivative Financial Liabilities				
Trade and other creditors	423	-	-	423
Accrued and other liabilities	5,668	-	-	5,668
Total	6,091	-	-	6,091

Notes to the financial statements
For the years ended 31 December 2014 and 2013

2013	1 year or less $'000	1–5 years $'000	Greater than 5 years $'000	Total $'000
Non-Derivative Financial Assets				
Cash	961	-	-	961
Trade and other debtors	260	-	-	260
Prepaids and other current assets	729	-	-	729
Other assets	-	1,140	-	1,140
Total	1,950	1,140	-	3,090
Non-Derivative Financial Liabilities				
Trade and other creditors	303	-	-	303
Due to affiliates	239	-	-	239
Accrued and other liabilities	5,064	-	-	5,064
Total	5,606	-	-	5,606

20.4 Capital Management

The Parent Company manages its capital to ensure its subsidiaries, including the Company, will be able to continue as a going concern while maximising the return to Members of the Parent Company through the optimisation of the debt and equity balance. The Company is not subject to any externally imposed capital requirements. Responsibility for capital management rests with the liquidity risk committee.

Notes to the financial statements
For the years ended 31 December 2014 and 2013

21 Financial instruments and fair value

The following table provides an analysis of financial instruments by category as at 31 December 2014 and 2013:

2014	Fair value through profit or loss $'000	Loans and receivables $'000	Other financial liabilities $'000	Non financial assets/ liabilities $'000	Total $'000
Assets					
Cash and cash equivalents (i)	583	-	-	-	583
Due from affiliates	-	2,371	-	-	2,371
Prepaids and other current assets	-	563	-	350	913
Property and equipment	-	-	-	966	966
Intangible assets	-	-	-	879	879
Other assets	-	1,091	-	1	1,092
	583	4,025	-	2,196	6,804
Liabilities					
Trade and other creditors	-	-	423	-	423
Accrued and other liabilities	-	-	5,668	10	5,678
	-	-	6,091	10	6,101

(i) Cash and cash equivalents represented cash held at banks.

Notes to the financial statements
For the years ended 31 December 2014 and 2013

2013	Fair value through profit or loss $'000	Loans and receivables $'000	Other financial liabilities $'000	Non financial assets/ liabilities $'000	Total $'000
Assets					
Cash and cash equivalents (i)	961	-	-	-	961
Trade and other debtors	-	260	-	-	260
Prepaids and other current assets	-	729	-	230	959
Property and equipment	-	-	-	1,357	1,357
Intangible assets	-	-	-	1,092	1,092
Other assets	-	1,140	-	4	1,144
	961	2,129	-	2,683	5,773
Liabilities					
Trade and other creditors	-	-	303	-	303
Due to affiliates	-	-	239	-	239
Accrued and other liabilities	-	-	5,064	52	5,116
	-	-	5,606	52	5,658

(i) Cash and cash equivalents represented cash held at banks.

The carrying amounts of the financial instruments in the table above, all of which are Level 2 financial instruments, approximate fair value because of the short-term nature of such instruments.

22 Offsetting financial assets and liabilities

In accordance with IAS 32, the Company reports financial assets and liabilities on a net basis in the statements of financial position only if there is a legally enforceable right to set off the recognised amounts and there is intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. The following table provides an analysis of amounts that have been offset in the statements of financial position, as at 31 December 2014 and 2013:

Notes to the financial statements
For the years ended 31 December 2014 and 2013

31 December 2014	Amounts subject to enforceable netting arrangements Effects of offsetting on balance sheet Gross amount $'000	Amounts offset $'000	Net amounts reported on the balance sheet $'000
Due from affiliates	3,205	(834)	2,371
Total assets	3,205	(834)	2,371
Due to affiliates	834	(834)	-
Total liabilities	834	(834)	-

31 December 2013	Amounts subject to enforceable netting arrangements Effects of offsetting on balance sheet Gross amount $'000	Amounts offset $'000	Net amounts reported on the balance sheet $'000
Due from affiliates	5,086	(5,086)	-
Total assets	5,086	(5,086)	-
Due to affiliates	5,325	(5,086)	239
Total liabilities	5,325	(5,086)	239

All transactions between affiliates are subject to master netting agreements which allows for net settlement of the relevant receivables and payables between affiliates.

23 Subsequent events

The Company has evaluated the period after the balance sheet date up through August 14, 2015, the date the financial statements were issued and determined there were no subsequent events or transactions that required recognition or disclosure in the financial statements.