

Registered number: 08659886

Samaro Holdings Limited

Annual report and financial statements

For the year ended 31 December 2017



Samaro Holdings Limited

Company Information

Directors

Mr R Groves
Mr M Baker

Registered number

08659886

Registered office

Third Floor
24 Chiswell Street
London,
United Kingdom
EC1Y 4YX

Trading Address

25 Canada Square
Canary Wharf
London
E14 5LB

Independent auditors

Kreston Reeves LLP
Chartered Accountants & Statutory Auditor
Third Floor
24 Chiswell Street
London
EC1Y 4YX

Samaro Holdings Limited

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**Group strategic report
For the year ended 31 December 2017**

Introduction

The directors present their strategic report on the group for the year ended 31 December 2017.

The principal activity of the group in the financial year under review was to provide foreign exchange and international payment services to both private and corporate clients.

Business review

The board is pleased to announce another year of growth for 2017 with gross revenue, FX turnover and payment volume all growing.

The group continued its strategic approach to corporate client acquisition, which forms a large percentage of the growth in turnover and revenue in 2017. The board can also report that average trade size and profit per trade for the corporate client book both increased during the period.

Principal risks and uncertainties

There are a variety of risks and uncertainties which have an impact on the performance of the group, some of which are beyond the control of the Group. Risk and uncertainties are considered and assessed by the directors and risk mitigated where possible, the principal risk are as follows:

Operational risk

This is the risk of a direct or indirect loss resulting from the inadequacies or failures in projects, processes or controls due to technology, staff, organisation or external factors. To monitor and control operational risk, the group maintains a system of comprehensive policies and a control framework which are designed to provide a sound and well-controlled operational environment. Key information regarding governance and the management of risk are reported to the Board. This enables management to monitor operational risk at appropriate levels.

Business risk

The consequences of the result from the UK referendum to leave the EU vote remains unclear but the risks to the group come in the form of reduced business activity and changes to the regulatory regime. The business has not adversely been impacted to date but there remains a large amount of uncertainty in this area.

Credit risk

This is the risk of losses being incurred through a client or other third party being unable to meet their obligations to the group. The group has robust policies in place to review substantial credit exposures prior to entering into a transaction with a client, to receive initial and/or variation margin deposits and to monitor open exposures.

Liquidity risk

This is the risk of insufficient liquid funds being available to meet the group's working capital requirements. Infinity International Limited monitors its liquidity levels and has mitigating controls in place to reduce risk of a liquidity event.

Financial instrument risk management

The Board of Directors is responsible for setting financial risk management policy and objectives, and approves the parameters within which the various aspects of financial risk management are operated.

The key financial risk for the group is foreign currency risk which arises through the provision of foreign exchange services. The group seeks to reduce its foreign exchange exposure arising in various currencies by purchasing corresponding FX contracts with authorised counterparties to offset FX contracts that are issued to clients.

Samaro Holdings Limited

Group strategic report (continued) For the year ended 31 December 2017

Financial key performance indicators

The key financial performance indicators used to determine the progress and performance of the group are set out below;

	2017	2016
	£	£
FX turnover - gross volume	1,097,391,111	858,630,607
FX turnover - reported revenue	6,287,073	4,250,966
Net profit before tax	1,097,127	673,750
Shareholders' funds	2,572,817	1,831,808

Other key performance indicators


The key non-financial performance indicators used to determine the progress and performance of the group are set out below;

Staff turnover
Brand awareness
Client service
Innovation

The performance indicators are reviewed by the management team on quarterly basis in order to access the progress of the group. The management are pleased with the overall performance based on the group growth and client retention.

This report was approved by the board on *24 SEPTEMBER 2018* and signed on its behalf.

Mr R Groves
Director



Samaro Holdings Limited

Directors' report

For the year ended 31 December 2017

The directors present their report and the audited financial statements of the company and group for the year ended 31 December 2017.

Directors' responsibilities statement

The directors are responsible for preparing the Group strategic report, the Directors' report and the consolidated audited financial statements of the company and group in accordance with applicable law and regulations.

Company law requires the directors to prepare audited financial statements of the company and group for each financial year. Under that law the directors have elected to prepare the audited financial statements of the company and group in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the audited financial statements of the company and group unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period.

In preparing these audited financial statements of the company and group, the directors are required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgments 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 audited financial statements of the company and group on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and to enable them to ensure that the audited financial statements of the company and group comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Results and dividends

The profit for the year, after taxation and minority interests, amounted to £817,761 (2016 - £479,855).

The group's directors are pleased with the group's performance and hope to continue to enhance and grow profitability in 2018.

The total distribution of dividends for the year ended 31 December 2017 will be £125,000 (2016: £91,600)

Directors

The directors who served during the year were:

Mr R Groves
Mr M Baker

Future developments

The board look forward to another year of growth and refinement of our proposition. In doing so we hope to offer a substantial increase in both client satisfaction and shareholder value.

Samaro Holdings Limited

Directors' report (continued) For the year ended 31 December 2017

Matters covered in the strategic report

Items required under Schedule 7 to be disclosed in the directors' report are set out in the strategic report, in accordance with s.414C(11) CA 2006.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditors are aware of that information.

Post balance sheet events

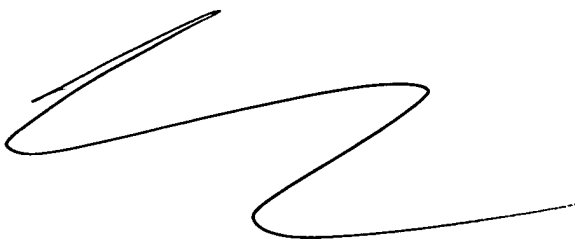
There have been no significant events affecting the Group since the year end.

Auditors

The auditors, Kreston Reeves LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on *24 SEPTEMBER 2018* and signed on its behalf.

**Mr R Groves
Director**

A handwritten signature in black ink, consisting of a series of loops and a long horizontal stroke at the end.

Samaro Holdings Limited

Independent auditors' report to the shareholders of Samaro Holdings Limited

Opinion

We have audited the financial statements of Samaro Holdings Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2017, which comprise the Group Statement of comprehensive income, the Group and Company Balance sheets, the Group Statement of cash flows, the Group and Company Statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 December 2017 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's or the parent Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Independent auditors' report to the shareholders of Samaro Holdings Limited (continued)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Group strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group strategic report or the Directors' report.

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

- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company 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.

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

Independent auditors' report to the shareholders of Samaro Holdings Limited (continued)

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the Group's or the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditors' report. However, future events or conditions may cause the Group's or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Independent auditors' report to the shareholders of Samaro Holdings Limited (continued)

Use of our report

This report is made solely to the Group's or 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 Group's or the Company's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Group's or the Company and the Group's or the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Kreston Reeves LLP

Michael Cook BA (Hons) FCA (Senior Statutory Auditor)

for and on behalf of Kreston Reeves LLP
Statutory Auditors
Chartered Accountants
London

Date: *26 SEPTEMBER 2018*

Samaro Holdings Limited

Consolidated statement of comprehensive income For the year ended 31 December 2017

	Note	2017 £	2016 £
Turnover	4	6,287,073	4,250,966
Gross profit		<u>6,287,073</u>	<u>4,250,966</u>
Administrative expenses		(5,209,445)	(3,586,236)
Operating profit	5	1,077,628	664,730
Interest receivable and similar income	9	57,039	9,678
Interest payable and expenses	10	(37,540)	(658)
Profit before taxation		<u>1,097,127</u>	<u>673,750</u>
Tax on profit	11	(211,257)	(155,383)
Profit for the financial year		<u>885,870</u>	<u>518,367</u>
Profit for the year attributable to:			
Non-controlling interests		68,109	38,512
Owners of the parent Company		817,761	479,855
		<u>885,870</u>	<u>518,367</u>
Total comprehensive income for the year attributable to:			
Non-controlling interest		68,109	38,512
Owners of the parent Company		817,761	479,855
		<u>885,870</u>	<u>518,367</u>

There was no other comprehensive income for 2017 (2016:£NIL).

The notes on pages 15 to 36 form part of these financial statements.

Consolidated balance sheet
As at 31 December 2017

	Note	2017 £	2016 £
Fixed assets			
Intangible assets	13	91,142	70,113
Tangible assets	14	21,185	24,532
Investments	15	224,887	224,887
		<u>337,214</u>	<u>319,532</u>
Current assets			
Debtors	16	5,769,993	2,321,828
Cash at bank and in hand	17	12,854,038	4,042,095
		<u>18,624,031</u>	<u>6,363,923</u>
Creditors: amounts falling due within one year	18	(15,167,607)	(4,643,249)
Net current assets		<u>3,456,424</u>	<u>1,720,674</u>
Total assets less current liabilities		<u>3,793,638</u>	<u>2,040,206</u>
Creditors: amounts falling due after more than one year	19	(1,000,000)	-
Provisions for liabilities			
Deferred taxation	23	(59,927)	(67,365)
		<u>(59,927)</u>	<u>(67,365)</u>
Net assets excluding pension asset		<u>2,733,711</u>	<u>1,972,841</u>
Net assets		<u>2,733,711</u>	<u>1,972,841</u>
Capital and reserves			
Called up share capital	24	300	300
Profit and loss account	25	2,524,269	1,831,508
Equity attributable to owners of the parent Company		<u>2,524,569</u>	<u>1,831,808</u>
Non-controlling interests		209,142	141,033
		<u>2,733,711</u>	<u>1,972,841</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

24 SEPTEMBER 2018



Mr R Groves
Director

The notes on pages 15 to 36 form part of these financial statements.

Samaro Holdings Limited
Registered number: 08659886

Company balance sheet
As at 31 December 2017

	Note	2017 £	2016 £
Fixed assets			
Investments	15	224,987	224,987
		<u>224,987</u>	<u>224,987</u>
Current assets			
Debtors	16	625,752	568,873
Cash at bank and in hand	17	849	2,737
		<u>626,601</u>	<u>571,610</u>
Creditors: amounts falling due within one year	18	(592,059)	(586,672)
		<u></u>	<u></u>
Net current assets/(liabilities)		<u>34,542</u>	<u>(15,062)</u>
Total assets less current liabilities		<u>259,529</u>	<u>209,925</u>
		<u></u>	<u></u>
Net assets excluding pension asset		<u>259,529</u>	<u>209,925</u>
Net assets		<u>259,529</u>	<u>209,925</u>
		<u></u>	<u></u>
Capital and reserves			
Called up share capital	24	300	300
Profit and loss account carried forward		259,229	209,625
		<u>259,529</u>	<u>209,925</u>
		<u></u>	<u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

24 SEPTEMBER 2018

Mr R Groves
Director

The notes on pages 15 to 36 form part of these financial statements.



Samaro Holdings Limited

**Consolidated statement of changes in equity
For the year ended 31 December 2017**

	Called up share capital £	Profit and loss account £	Equity attributable to owners of parent Company £	Non- controlling interests £	Total equity £
At 1 January 2016	300	1,443,253	1,443,553	102,521	1,546,074
Comprehensive income for the year					
Profit for the year	-	479,855	479,855	38,512	518,367
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	479,855	479,855	38,512	518,367
Dividends: Equity capital	-	(91,600)	(91,600)	-	(91,600)
Total transactions with owners	-	(91,600)	(91,600)	-	(91,600)
At 1 January 2017	300	1,831,508	1,831,808	141,033	1,972,841
Comprehensive income for the year					
Profit for the year	-	817,761	817,761	68,109	885,870
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	817,761	817,761	68,109	885,870
Dividends: Equity capital	-	(125,000)	(125,000)	-	(125,000)
Total transactions with owners	-	(125,000)	(125,000)	-	(125,000)
At 31 December 2017	300	2,524,269	2,524,569	209,142	2,733,711

The notes on pages 15 to 36 form part of these financial statements.

Samaro Holdings Limited

Company statement of changes in equity For the year ended 31 December 2017

	Called up share capital £	Profit and loss account £	Total equity £
At 1 January 2016	300	264,357	264,657
Comprehensive income for the year			
Profit for the year	-	36,868	36,868
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	36,868	36,868
Contributions by and distributions to owners			
Dividends: Equity capital	-	(91,600)	(91,600)
Total transactions with owners	-	(91,600)	(91,600)
At 1 January 2017	300	209,625	209,925
Comprehensive income for the year			
Profit for the year	-	174,604	174,604
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	174,604	174,604
Contributions by and distributions to owners			
Dividends: Equity capital	-	(125,000)	(125,000)
Total transactions with owners	-	(125,000)	(125,000)
At 31 December 2017	300	259,229	259,529

The notes on pages 15 to 36 form part of these financial statements.

Samaro Holdings Limited

Consolidated statement of cash flows **For the year ended 31 December 2017**

	2017 £	2016 £
Cash flows from operating activities		
Profit for the financial year	885,870	518,367
Adjustments for:		
Amortisation of intangible assets	27,185	14,313
Depreciation of tangible assets	18,673	25,532
Loss on disposal of tangible assets	-	1,550
Interest paid	37,540	658
Interest received	(57,039)	(9,679)
Taxation charge	211,257	209,567
(Increase) in debtors	(3,373,550)	(1,094,577)
(Increase)/decrease in amounts owed by groups	(17,737)	-
(Increase)/decrease in amounts owed by participating ints	(56,878)	-
Increase in creditors	10,532,913	1,578,551
Corporation tax (paid)	(227,250)	(100,000)
Net cash generated from operating activities	<u>7,980,984</u>	<u>1,144,282</u>
Cash flows from investing activities		
Purchase of intangible fixed assets	(48,214)	(75,000)
Purchase of tangible fixed assets	(15,326)	(5,998)
Interest received	57,039	9,678
Net cash from investing activities	<u>(6,501)</u>	<u>(71,320)</u>
Cash flows from financing activities		
Other new loans	1,000,000	-
Dividends paid	(125,000)	(91,600)
Interest paid	(37,540)	(658)
Net cash used in financing activities	<u>837,460</u>	<u>(92,258)</u>
Net increase in cash and cash equivalents	8,811,943	980,704
Cash and cash equivalents at beginning of year	4,042,095	3,061,391
Cash and cash equivalents at the end of year	<u><u>12,854,038</u></u>	<u><u>4,042,095</u></u>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	12,854,038	4,042,095
	<u><u>12,854,038</u></u>	<u><u>4,042,095</u></u>

The notes on pages 15 to 36 form part of these financial statements.

**Notes to the financial statements
For the year ended 31 December 2017**

1. General information

Samaro Holdings Limited is a company limited by shares, incorporated in England and Wales. Its principal place of business is 25 Canada Square, Canary Wharf, London, E14 5LB. The nature of the company's operations and principal activities are set out in the Strategic report. The company's number and registered office address can be found on the Company's Information page.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of comprehensive income in these financial statements.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 01 January 2014.

2.3 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Group and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

Foreign exchange transactions - turnover consists of the margin generated from the sale of foreign currency to clients. Margin calculated from the sales price agreed with the client minus the purchase price agreed with the counterparty who are providing the FX dealing facility.

Turnover also includes amounts receivable in relation to administration and desk charges which are accounted for on an accruals basis.

**Notes to the financial statements
For the year ended 31 December 2017**

2. Accounting policies (continued)

2.4 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

Included within other intangibles are computer software and customer lists which are being amortised.

Computer software is being amortised evenly over its estimated useful life of five years.

Customer lists are being amortised evenly over their estimated useful life of five years.

2.5 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Improvements to property	- in accordance with length of lease
Plant and machinery	- 25% on cost
Fixtures and fittings	- 15% on cost
Computer equipment	- 33% on cost

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated statement of comprehensive income.

2.6 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.7 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

**Notes to the financial statements
For the year ended 31 December 2017**

2. Accounting policies (continued)

2.8 Financial instruments

The Group enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Investments in non-convertible preference shares and in non-puttable ordinary and preference shares are measured:

- at fair value with changes recognised in the Consolidated statement of comprehensive income if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

A financial asset is derecognised only when the contractual rights to cash flow expire or are settled, or substantially all of risks and rewards of ownership are transferred to another party, or if some significant risks and rewards or ownership are retained but control of the asset has transferred to another party that is liable to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation in the contract is discharged, cancelled or expires.

**Notes to the financial statements
For the year ended 31 December 2017**

2. Accounting policies (continued)

2.9 Derivative financial instruments

The group enters into a variety of derivative financial instruments to manage its exposure to foreign exchange rate risk, including foreign exchange forward contracts and cross currency swaps.

Derivative are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each balance sheet date. The resulting gain or loss is recognised in the Statement of Comprehensive income immediately.

A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability. A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liability

2.10 Client monies owed

Amounts owed to clients comprise amounts received in advance from clients in respect of foreign exchange transactions prior to the maturity date of a trade and currency owed by financial institutions after maturity date awaiting disbursement.

2.11 Amount held on deposit with financial institutions

Amounts held on deposit with financial institutions comprise amounts paid in advance in respect of foreign exchange transactions prior to the maturity date of a trade and currency owed by financial institutions after maturity date awaiting disbursement.

2.12 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

2.13 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**Notes to the financial statements
For the year ended 31 December 2017**

2. Accounting policies (continued)

2.14 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Consolidated statement of comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Consolidated statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Consolidated statement of comprehensive income within 'other operating income'.

2.15 Convertible debt

The proceeds received on issue of the Group's convertible debt are allocated into their liability and equity components and presented separately in the Balance sheet.

The amount initially attributed to the debt component equals the discounted cash flows using a market rate of interest that would be payable on a similar debt instrument that did not include an option to convert.

The difference between the net proceeds of the convertible debt and the amount allocated to the debt component is credited direct to equity and is not subsequently remeasured. On conversion, the debt and equity elements are credited to share capital and share premium as appropriate.

Transaction costs that relate to the issue of the instrument are allocated to the liability and equity components of the instrument in proportion to the allocation of proceeds.

2.16 Finance costs

Finance costs are charged to the Consolidated statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.17 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

**Notes to the financial statements
For the year ended 31 December 2017**

2. Accounting policies (continued)

2.18 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to the Consolidated statement of comprehensive income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

The Group has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 January 2016 to continue to be charged over the period to the first market rent review rather than the term of the lease.

2.19 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in the Consolidated statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Group in independently administered funds.

2.20 Interest income

Interest income is recognised in the Consolidated statement of comprehensive income using the effective interest method.

2.21 Borrowing costs

All borrowing costs are recognised in the Consolidated statement of comprehensive income in the year in which they are incurred.

2.22 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

**Notes to the financial statements
For the year ended 31 December 2017**

2. Accounting policies (continued)

2.23 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Consolidated statement of comprehensive income in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

2.24 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Consolidated statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company and the Group operate and generate income.

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 it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.25 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Group but are presented separately due to their size or incidence.

**Notes to the financial statements
For the year ended 31 December 2017**

2. Accounting policies (continued)

2.26 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Group shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Consolidated statement of comprehensive income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

Investments in listed company shares are remeasured to market value at each Balance sheet date. Gains and losses on remeasurement are recognised in profit or loss for the period.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

4. Turnover

The group revenue from currency transactions of £6,287,073 (2016: £4,250,966) and is attributable to the one principal activity of the group wholly undertaken in the United Kingdom.

	2017 £	2016 £
United Kingdom	6,287,073	4,250,966
	<u>6,287,073</u>	<u>4,250,966</u>

5. Operating profit

The operating profit is stated after charging:

	2017 £	2016 £
Other operating leases	-	738
Depreciation of tangible fixed assets	18,673	25,532
Loss on disposal of fixed assets	-	1,450
Amortisation of intangible assets	27,185	14,313
Exchange difference	-	(74)
Operating lease payments in respect of land and buildings	106,189	88,543
	<u>106,189</u>	<u>88,543</u>

Notes to the financial statements
For the year ended 31 December 2017

6. Auditors' remuneration

	2017	2016
	£	£
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	19,000	16,800
Fees payable to the Group's auditor and its associates in respect of:		
Taxation compliance services	1,000	-
Accounts preparation services	1,800	-
	<u>2,800</u>	<u>-</u>

7. Employee

Staff costs, including directors' remuneration, were as follows:

	2017	2016
	£	£
Wages and salaries	1,293,854	676,171
Social security costs	142,523	68,617
Cost of defined contribution scheme	32,708	25,200
	<u>1,469,085</u>	<u>769,988</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2017	2016
	No.	No.
Directors	3	3
Compliance	3	2
Administrative	6	6
Sales	14	5
	<u>26</u>	<u>16</u>

The Company has no employees other than the directors, who did not receive any remuneration (2016 - £NIL)

Samaro Holdings Limited

Notes to the financial statements For the year ended 31 December 2017

8. Directors' remuneration

During the year retirement benefits were accruing to 2 directors (2016 - 2) in respect of defined contribution pension schemes.

	2017 £	2016 £
Directors' emoluments	158,183	138,187
Amounts receivable under long-term incentive schemes	7,600	12,000
	<u>165,783</u>	<u>150,187</u>

9. Interest receivable

	2017 £	2016 £
Other interest receivable	57,039	9,678
	<u>57,039</u>	<u>9,678</u>

10. Interest payable and similar expenses

	2017 £	2016 £
Other loan interest payable	37,500	-
Other interest payable	40	658
	<u>37,540</u>	<u>658</u>

**Notes to the financial statements
For the year ended 31 December 2017**

11. Taxation

	2017	2016
	£	£
Corporation tax		
Current tax on profits for the year	218,695	88,018
	<u>218,695</u>	<u>88,018</u>
Total current tax	<u>218,695</u>	<u>88,018</u>
Deferred tax		
Origination and reversal of timing differences	356	13,405
Changes to tax rates	(7,794)	53,960
Total deferred tax	<u>(7,438)</u>	<u>67,365</u>
Taxation on profit on ordinary activities	<u>211,257</u>	<u>155,383</u>

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2016 - higher than) the standard rate of corporation tax in the UK of 19% (2016 - 20%). The differences are explained below:

	2017	2016
	£	£
Profit on ordinary activities before tax	1,097,127	673,750
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2016 - 20%)	208,454	134,750
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	3,085	6,966
Capital allowances for year in excess of depreciation	(3,822)	(3,803)
Capital allowances for year in excess of amortisation	2,483	-
Adjustments to tax charge in respect of prior periods	2,725	(55,891)
Fair value adjustments on foreign exchange contracts	5,770	5,996
Deferred tax	(7,438)	67,365
Total tax charge for the year	<u>211,257</u>	<u>155,383</u>

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

Notes to the financial statements
For the year ended 31 December 2017

12. Dividends

	2017 £	2016 £
Ordinary 'A'		
Interim	62,500	43,800
Ordinary 'B'		
Interim	62,500	43,800
Ordinary 'C'		
Interim	-	4,000
	<u>125,000</u>	<u>91,600</u>

13. Intangible assets

Group and Company

	Other intangible assets £	Computer software £	Total £
Cost			
At 1 January 2017	46,566	50,000	96,566
Additions	25,010	23,204	48,214
At 31 December 2017	<u>71,576</u>	<u>73,204</u>	<u>144,780</u>
Amortisation			
At 1 January 2017	16,453	10,000	26,453
Charge for the year	14,283	12,902	27,185
At 31 December 2017	<u>30,736</u>	<u>22,902</u>	<u>53,638</u>
Net book value			
At 31 December 2017	<u>40,840</u>	<u>50,302</u>	<u>91,142</u>
At 31 December 2016	<u>30,113</u>	<u>40,000</u>	<u>70,113</u>

Other intangible fixed assets relate to the acquisition of a client base. The amortisation period is over five years. At each reporting date an impairment review is undertaken where any impairment loss is recognised immediately in the Balance sheet.

Notes to the financial statements
For the year ended 31 December 2017

14. Tangible fixed assets

Group

	Improvements to property £	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation					
At 1 January 2017	4,485	15,573	15,107	59,512	94,677
Additions	-	-	2,008	13,318	15,326
At 31 December 2017	4,485	15,573	17,115	72,830	110,003
Depreciation					
At 1 January 2017	4,485	15,573	4,112	45,975	70,145
Charge for the year on owned assets	-	-	2,641	16,032	18,673
At 31 December 2017	4,485	15,573	6,753	62,007	88,818
Net book value					
At 31 December 2017	-	-	10,362	10,823	21,185
At 31 December 2016	-	-	10,995	13,537	24,532

15. Fixed asset investments

Group

	Other fixed asset investments £
Cost or valuation	
At 1 January 2017	224,887
At 31 December 2017	224,887
Net book value	
At 31 December 2017	224,887
At 31 December 2016	224,887

Notes to the financial statements
For the year ended 31 December 2017

15. Fixed asset investments (continued)

The company and the group has a 9.2% holding in a participating interest in Synops Technologies Ltd.

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding
Infinity International Limited	Preferred Ordinary	90 %
Infinity International Limited	Ordinary	2 %

The principal activity of Infinity International Limited in the financial year under review was to provide foreign exchange and international payment services to both private and corporate clients.

The aggregate of the share capital and reserves as at 31 December 2017 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

	Aggregate of share capital and reserves £	Profit/(loss) £
Infinity International Limited	2,474,282	851,366
	<u>2,474,282</u>	<u>851,366</u>

Company

	Investments in subsidiary companies £	Other fixed asset investments £	Total £
Cost or valuation			
At 1 January 2017	100	224,887	224,987
At 31 December 2017	<u>100</u>	<u>224,887</u>	<u>224,987</u>
Net book value			
At 31 December 2017	<u>100</u>	<u>224,887</u>	<u>224,987</u>
At 31 December 2016	<u>100</u>	<u>224,887</u>	<u>224,987</u>

Notes to the financial statements
For the year ended 31 December 2017

16. Debtors

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Due after more than one year				
Amounts owed by associated and participating interests	625,661	568,783	625,661	568,783
Other debtors	7,450	-	-	-
	<u>633,111</u>	<u>568,783</u>	<u>625,661</u>	<u>568,783</u>
Due within one year				
Trade debtors	500	17,859	-	-
Amounts owed by associated and participating interests	17,737	-	-	-
Other debtors	2,028,097	239,238	91	90
Prepayments and accrued income	540,533	43,790	-	-
Tax recoverable	61,426	48,674	-	-
Financial instruments	2,488,589	1,403,484	-	-
	<u>5,769,993</u>	<u>2,321,828</u>	<u>625,752</u>	<u>568,873</u>

The company has issued two loan notes to associated companies wholly repayable on 12 December 2019 and accrue an interest of 10% per annum.

17. Cash and cash equivalents

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Cash at bank and in hand	12,854,038	4,042,095	849	2,737
	<u>12,854,038</u>	<u>4,042,095</u>	<u>849</u>	<u>2,737</u>

The cash at bank and in hand balance includes £12,665,691 (31 December 2016: £3,155,613) held in respect of customer balances, the liability for which is held within client monies owed (see note 18). Of this amount Infinity International Limited held £2,226,013 (31 December 2016: £842,352) of cash in designated accounts in accordance with the EU Payments Services Directive.

**Notes to the financial statements
For the year ended 31 December 2017**

18. Creditors: Amounts falling due within one year

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Payments received on account	12,665,691	3,155,613	-	-
Trade creditors	47,460	28,363	5,137	6,090
Amounts owed to group undertakings	-	-	568,384	555,007
Corporation tax	218,696	227,251	8,248	17,684
Other taxation and social security	60,252	27,119	-	-
Other creditors	13,047	12,871	4,290	4,290
Accruals and deferred income	363,627	241,540	6,000	3,601
Financial instruments	1,798,834	950,492	-	-
	<u>15,167,607</u>	<u>4,643,249</u>	<u>592,059</u>	<u>586,672</u>

19. Creditors: Amounts falling due after more than one year

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Other loans	1,000,000	-	-	-
	<u>1,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>

On 3 April 2017, £1,000,000 convertible redeemable loan notes were issued. The notes mature on 3 April 2019 and carry a coupon of 5% per annum, payable on the repayment date or converted by the Noteholder into shares in accordance with their terms. The holder of the notes may convert all of the notes held by them into new B Class shares in the capital of the Company on the delivery to the Company of a conversion notice.

20. Loans

Analysis of the maturity of loans is given below:

	Group 2017 £	Group 2016 £
Amounts falling due 1-2 years		
Convertible loan notes	1,000,000	-
	<u>1,000,000</u>	<u>-</u>

Notes to the financial statements
For the year ended 31 December 2017

21. Financial instruments

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Financial assets				
Financial assets measured at amortised costs	2,574,476	874,554	625,752	568,873
Derivative financial assets measured at fair value through profit or loss	2,488,589	1,403,484	-	-
	<u>5,063,065</u>	<u>2,278,038</u>	<u>625,752</u>	<u>568,873</u>
Financial liabilities				
Financial liabilities measured at amortised cost	1,694,834	3,196,848	583,811	586,672
Derivative financial liabilities measured at fair value through profit or loss	1,798,834	950,492	-	-
	<u>3,493,668</u>	<u>4,147,340</u>	<u>583,811</u>	<u>586,672</u>

Derivative financial assets measured at fair value through profit or loss comprise Forward foreign currency exchange contracts valued using quoted exchange rates.

Financial assets that are debt instruments measured at amortised cost comprise trade and other debtors, amounts owed by group undertakings and accrued income.

Derivative financial liabilities measured at fair value through profit or loss comprise Forward foreign currency exchange contracts valued using quoted exchange rates.

Financial Liabilities measured at mortised cost comprise trade and other creditors, taxes client monies and accruals.

22. Derivative financial assets and liabilities

	2017 £	2016 £
Financial instruments at fair value through profit and loss		
Derivative financial assets:		
Forward foreign currency exchange contracts	2,488,589	1,403,484
Derivative financial liabilities:		
Forward foreign currency exchange contracts	1,798,834	950,492
Net forward foreign currency exchange contracts	<u>689,755</u>	<u>452,992</u>
Net impact on profit and loss in year	<u>236,763</u>	<u>133,482</u>

Samaro Holdings Limited

Notes to the financial statements For the year ended 31 December 2017

23. Deferred taxation

Group

	2017 £
At beginning of year	(67,365)
Charged to profit or loss	7,438
At end of year	(59,927)

At end of year

	Group 2017 £	Group 2016 £
Accelerated capital allowances	(13,761)	(13,405)
Fair value adjustment	(46,166)	(53,960)
	(59,927)	(67,365)

24. Share capital

	2017 £	2016 £
Allotted, called up and fully paid		
153 Ordinary 'A' shares of £1 each	153	153
117 Ordinary 'B' shares of £1 each	117	117
30 Ordinary 'C' shares of £1 each	30	30
	300	300

The ordinary shareholders are entitled to one vote in any circumstances and entitled pari passu to payments of dividends and return of capital.

25. Reserves

Profit and loss account

Profit and loss account includes all current and prior period retained profits and losses.

Called up share capital

Called up share capital represents the nominal value of shares that have been issued,

**Notes to the financial statements
For the year ended 31 December 2017**

26. Pension commitments

The Group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £32,708 (2016 - £25,200). Contributions totalling £1,801 (2016 - £Nil) were payable to the fund at the balance sheet date and are included in 'Other Creditor'.

27. Commitments under operating leases

At 31 December 2017 the Group and the Company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2017 £	Group 2016 £
Not later than 1 year	36,865	101,563
Later than 1 year and not later than 5 years	44,083	50,127
	<u>80,948</u>	<u>151,690</u>

28. Other financial commitments

The company's bankers hold a fixed and floating charge over all property and assets present and future, including goodwill, uncalled share capital, buildings, fixtures, fixed plant and machinery, deposits and including a £30,000 debenture.

29. Transactions with directors

The following advances and credits to directors subsisted during the year ended 31 December 2017 and 31 December 2016.

Mr R Grove

The balance outstanding at the start of the year was £175,948 (2016: £158,032). During the year there were advances made of £19,205 (2016: £17,916). As at year end the outstanding balance due was £195,252 (2016: £175,948). The balances outstanding as at year end are included within other debtors due within one year.

Mr M Baker

The balance outstanding at the start of the year was £1,211 (2016: £5,211). During the year there was an amount of £Nil (2016: 4,000) repaid. During the year there were advances made of £20,000 (2016: £Nil). As at year end the outstanding balance due was £21,211 (2016: £1,211). The balances outstanding as at year end are included within other debtors due within one year.

The above loan is unsecured, repayable on demand and interest free.

Samaro Holdings Limited

Notes to the financial statements For the year ended 31 December 2017

30. Related party transactions

As at 1 January 2017 the group was due £1,813 (2016: £2,003) from an associated undertaking. During the year, the group advanced £7,963 (2016: £nil) and received £9,776 (2016: £190) from the company. As at 31 December 2017, the group was due £Nil (2016: £1,813) from the company.

During the year, the group operated a loan account with an owner of Samaro Holdings Limited. As at the 1 January 2017, the owner of Samro Holdings Limited owed the group £10,039 (2016: £10,039). In the year, there has been no withdrawals (2016: £nil). As at 31 December 2017 the owner of Samaro Holdings Limited owed the group £10,039 (2016: £10,039). The loan is unsecured, interest free and repayable on demand.

During the year the group recognised turnover of £Nil (2016: £30,500) from Synops Technologies Limited. At 31 December 2017 Synops Technologies Limited owed £77,320 (2016: £63,667) to the group.

Samaro Holdings Limited were issued with a £Nil (2016: £50,000) convertible loan note instrument from Synops Technologies Limited. The loan note instrument accrues interest at 10% per annum. As at 31 December 2016, Samaro Holdings Limited were owed £59,583 (2016: £54,167) from the company. The two companies are related by virtue of each entity being controlled by one individual who has significant influence over both companies.

During the year, the group entered into a convertible redeemable loan agreement with Viscatain Limited in which the owner of Samaro Holdings Limited is also the director for £1,000,000 (2016: £Nil). Interest charged to the group accumulated to £37,500 (2016: £Nil) as a result of this loan for the year. Additionally, a further £29,600 (2016: £Nil) was paid for consultancy fees.

31. Post balance sheet events

There were no post balance sheet events since the year requiring disclosure in the financial statements.

32. Controlling party

The ultimate controlling party is Mr R Groves who has a majority interest in the issued share capital of Samaro Holdings Limited.

33. Non-Controlling interests

On 10 December 2015, the group sold 8% of the previously wholly owned subsidiary for a cash consideration of £200,000. The group continued to control and consolidate the subsidiary post disposal. A non-controlling interest of £100,404 has been recognised, being 8% of the carrying value of its net assets on 10 December 2015. The excess of cash consideration over the non-controlling interest of £99,596 has been recognised in equity.

	2017 £	2016 £
Minority interest consist of the following amounts:		
Non-controlling interests on disposal of shares in subsidiary	100,404	100,404
Non-controlling interest in group profit/(loss)	108,738	40,629
	<u>209,142</u>	<u>141,033</u>

**Notes to the financial statements
For the year ended 31 December 2017**

34. Financial risk management

The group has exposure to four main areas of risk - foreign currency, credit, capital management and liquidity risk.

Foreign currency

The group's foreign currency risk arises from its primary business model. The group executes post and forward foreign currency contract with its clients, principally trading GBP, EUR and USD. To the extent that clients contracts are not complimentary in currency pair, direction or maturity date, the company enters into foreign currency contracts and cross currency swaps with financial institutions.

Forward contract exposures are set out in the table below.

	Creditors £'000	Debtors £'000	Net exposure £'000	Fair value £'000
31 December 2017	72,289	72,979	690	690
31 December 2016	41,769	42,222	453	453

All derivatives included on the balance sheet are a matched client trade and counterparty trade, Because of this, the company has no derivatives that are unmatched and therefore the company is not affected by changes in exchange rates other than the revaluation of profits earned in a foreign currency which are deemed immaterial.

Credit risk

Credit risk refers to a risk that a counterparty will default on its contractual obligation resulting in financial loss to the company. The company has adopted a policy of only dealing with creditworthy counterparties and obtaining security payments on forward trades as a means of mitigating the risk of financial loss from non settlement of trade.

Management believes that the credit risk on amounts held on deposit with bank counterparties and on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

Capital management

The company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to its stakeholders and maintaining capital adequacy in accordance with its regulatory obligations. Capital is monitored on a regular basis by the directors and further details can be found in the notes below.

Liquidity risk

The objective of the company in managing liquidity risk is to ensure that it can meet its financial obligations as and when they fall due through operating cash flows. The company continuously matches the maturity profiles of financial assets and liabilities.

The maturity analysis of derivative financial instruments is set out below showing the remaining contractual maturities at undiscounted amounts.

Samaro Holdings Limited

**Notes to the financial statements
For the year ended 31 December 2017**

31 December 2017

	Within 30 days £'000	30 to 90 days £'000	90 to 365 days £'000	More than one year £'000	Total £
Forward contract debtors	10,003	25,336	34,927	2,713	72,979
Forward contract creditors	(17,909)	(17,160)	(34,522)	(2,698)	(72,289)
	<u>(7,906)</u>	<u>8,176</u>	<u>405</u>	<u>15</u>	<u>690</u>

31 December 2016

	Within 30 days £'000	30 to 90 days £'000	90 to 365 days £'000	More than one year £'000	Total £'000
Forward contract debtors	372	18,300	23,528	22	42,222
Forward contract creditors	(369)	(18,096)	(23,282)	(22)	(41,769)
	<u>3</u>	<u>204</u>	<u>246</u>	<u>-</u>	<u>453</u>