

Registered number: 06324658

The Currency Cloud Group Limited (formerly FX Capital Group Limited)

Directors' report and financial statements

for the year ended 31 December 2012



The Currency Cloud Group Limited (formerly FX Capital Group Limited)

Company Information

Directors

N Verdon
J White (appointed 1 July 2012)
H Schricke (appointed 21 August 2012)
S Park
M Laven (appointed 3 January 2012)
E Anstee (resigned 21 August 2012)
F Destin

Company secretary

D Mason

Registered number

06324658

Registered office

Ground Floor
6-8 Fenchurch Buildings
Fenchurch Street
London
EC3M 5HT

Independent auditors

Reeves & Co LLP
Chartered Accountants and Statutory Auditors
Third Floor
24 Chiswell Street
London
EC1Y 4YX

The Currency Cloud Group Limited (formerly FX Capital Group Limited)

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The Currency Cloud Group Limited (formerly FX Capital Group Limited)

Directors' report for the year ended 31 December 2012

The directors present their report and the financial statements for the year ended 31 December 2012

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to

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

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

Principal activities

The principal activities of the group continued to be that of the provision of foreign exchange broking for commercial/deliverable purposes and international payments for both private and corporate clients. The group also develops in-house a specialist technology platform for the delivery of its services. This platform that is also offered to White Label Partners as well as being offered as an Application Program Interface (API).

Business review

2012 was a major transitional year for The Currency Cloud Group Limited. During the year the group took significant investment from top ranked venture capitalists, experienced significant growth in transaction volume and changed the legal name of the group from FX Capital Group Limited to The Currency Cloud Group Limited. The group also focussed on serving business customers and divested our small private client business.

Overall, total gross profits grew over 32% to £694,000. More importantly the group experienced significant revenue growth during the year. Monthly total turnover grew 146% from £16M in January to £57M in December. During the period the group saw investment of £2,000,000 by Atlas Ventures (a Boston based firm), and Anthemis Capital and Notion Capital (both London based venture investment firms). Additionally, Xange (a Paris based venture arm of the French Post Office) purchased the equity position of The City of London Group for £1,200,000.

The influx of capital allowed the group to make significant investments in executives, staff and technology infrastructure. Total expenses for the year were £2,400,000 and the resulting loss was £1,700,000. Due to the investment, the group ended the year with a healthy cash position of over £2,600,000 in the bank. The group expects to achieve profitability in 2014.

At the end of the year the group divested its private client business to Infinity International (a business partner) for a small payment of £20,000 (£4,000 received within the year to 31 December 2012) and in perpetuity a 20% share in revenue. The private client business no longer fit with the strategic objectives of the group which is to focus on serving business customers and was in conflict with business plans of some customers. After adjusting for the private client business, revenues grew over to £649K. The loss of the private client business had no material impact on the remainder of the group.

The Currency Cloud Group Limited (formerly FX Capital Group Limited)

Directors' report for the year ended 31 December 2012

Results

The loss for the year, after taxation and minority interests, amounted to £1,643,456 (2011 - loss £631,219)

Directors

The directors who served during the year were

N Verdon
J White (appointed 1 July 2012)
H Schricke (appointed 21 August 2012)
S Park
M Laven (appointed 3 January 2012)
E Anstee (resigned 21 August 2012)
F Destin

Principal risks and uncertainties

The group monitors its risk and exposure to its clients in a live environment. In the event of a default by a client, a transaction would be closed in the market, therefore limiting its financial risk to the client.

The directors are confident that the company's risk management, compliance and monitoring procedures are of a very high standard and therefore limits any major risks to the business.

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 that director is aware, there is no relevant audit information of which the company and the group's auditors are unaware, and
- that 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.

Auditors

Under section 487(2) of the Companies Act 2006, Reeves & Co LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

This report was approved by the board on 22 July 2013 and signed on its behalf



M Laven
Director

The Currency Cloud Group Limited (formerly FX Capital Group Limited)

Independent auditors' report to the shareholders of The Currency Cloud Group Limited (formerly FX Capital Group Limited)

We have audited the financial statements of The Currency Cloud Group Limited (formerly FX Capital Group Limited) for the year ended 31 December 2012, set out on pages 5 to 18. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

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 group's and the parent 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 Directors' report to identify material inconsistencies with the audited financial statements. 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 group's and the parent company's affairs as at 31 December 2012 and of the group's loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

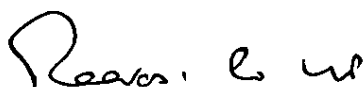
The Currency Cloud Group Limited (formerly FX Capital Group Limited)

Independent auditors' report to the shareholders of The Currency Cloud Group Limited (formerly FX Capital Group Limited)

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept 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



James O'Brien FCA (Senior Statutory Auditor)
for and on behalf of

Reeves & Co LLP

Chartered Accountants and Statutory Auditors

Third Floor

24 Chiswell Street

London

EC1Y 4YX

Date 31 July 2013

The Currency Cloud Group Limited (formerly FX Capital Group Limited)

**Consolidated profit and loss account
for the year ended 31 December 2012**

	Note	2012 £	2011 £
Turnover	1,2	397,505,274	161,482,589
Cost of sales		<u>(396,810,920)</u>	<u>(160,957,504)</u>
Gross profit		694,354	525,085
Administrative expenses		(2,443,045)	(1,215,468)
Other operating income	3	<u>-</u>	<u>9,400</u>
Operating loss	4	(1,748,691)	(680,983)
Interest receivable and similar income		2,660	620
Interest payable and similar charges	7	<u>(382)</u>	<u>(7,730)</u>
Loss on ordinary activities before taxation		(1,746,413)	(688,093)
Tax on loss on ordinary activities	8	<u>105,746</u>	<u>56,874</u>
Loss on ordinary activities after taxation		(1,640,667)	(631,219)
Minority interests		<u>(2,789)</u>	<u>-</u>
Loss for the financial year	15	<u><u>(1,643,456)</u></u>	<u><u>(631,219)</u></u>

All amounts relate to continuing operations

There were no recognised gains and losses for 2012 or 2011 other than those included in the Profit and loss account

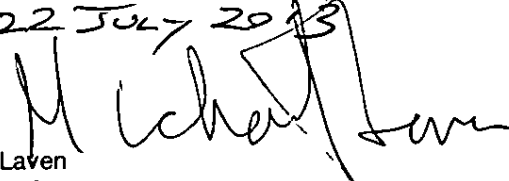
The notes on pages 9 to 18 form part of these financial statements

The Currency Cloud Group Limited (formerly FX Capital Group Limited)
Registered number: 06324658

Consolidated balance sheet
as at 31 December 2012

	Note	£	2012 £	£	2011 £
Fixed assets					
Tangible assets	9		54,520		72,477
Current assets					
Debtors	11	295,602		103,503	
Cash at bank and in hand		10,764,385		3,603,238	
		<u>11,059,987</u>		<u>3,706,741</u>	
Creditors: amounts falling due within one year	13	<u>(8,396,675)</u>		<u>(1,434,819)</u>	
Net current assets			<u>2,663,312</u>		<u>2,271,922</u>
Net assets			<u>2,717,832</u>		<u>2,344,399</u>
Capital and reserves					
Called up share capital	14		6,020		4,884
Share premium account	15		5,546,789		3,547,706
Other reserves	15		10,602		-
Profit and loss account	15		<u>(2,851,647)</u>		<u>(1,208,191)</u>
Shareholders' funds	16		<u>2,711,764</u>		<u>2,344,399</u>
Minority interests	21		<u>6,068</u>		<u>-</u>
			<u>2,717,832</u>		<u>2,344,399</u>

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

22 July 2013

M Laven
Director

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

The Currency Cloud Group Limited (formerly FX Capital Group Limited)
Registered number: 06324658

Company balance sheet
as at 31 December 2012

	Note	£	2012 £	£	2011 £
Fixed assets					
Investments	10		856,932		856,932
Current assets					
Debtors	11	3,112,161		523,150	
Cash at bank		1,019,147		1,900,188	
		<u>4,131,308</u>		<u>2,423,338</u>	
Creditors: amounts falling due within one year	13	(14,000)		(16,943)	
Net current assets			<u>4,117,308</u>		<u>2,406,395</u>
Net assets			<u><u>4,974,240</u></u>		<u><u>3,263,327</u></u>
Capital and Reserves					
Called up share capital	14		6,020		4,884
Share premium account	15		5,546,789		3,547,706
Other reserves	15		11,615		-
Profit and loss account	15		(590,184)		(289,263)
Shareholders' funds	16		<u><u>4,974,240</u></u>		<u><u>3,263,327</u></u>

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

M Laven
Director

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

The Currency Cloud Group Limited (formerly FX Capital Group Limited)

**Consolidated cash flow statement
for the year ended 31 December 2012**

	Note	2012 £	2011 £
Net cash flow from operating activities	22	5,140,828	(592,512)
Returns on investments and servicing of finance	23	16,159	(18,974)
Taxation		36,445	20,429
Capital expenditure and financial investment	23	(24,692)	(48,676)
Cash inflow/(outflow) before financing		5,168,740	(639,733)
Financing	23	2,000,219	2,779,234
Increase in cash in the year		7,168,959	2,139,501

**Reconciliation of net cash flow to movement in net funds/debt
for the year ended 31 December 2012**

	2012 £	2011 £
Increase in cash in the year	7,168,959	2,139,501
Cash outflow from decrease in debt and lease financing	-	188,136
Movement in net debt in the year	7,168,959	2,327,637
Net funds at 1 January 2012	3,595,426	1,267,789
Net funds at 31 December 2012	10,764,385	3,595,426

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

The Currency Cloud Group Limited (formerly FX Capital Group Limited)

Notes to the financial statements for the year ended 31 December 2012

1. Accounting policies

1.1 Basis of preparation of financial statements

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

1.2 Basis of consolidation

The financial statements consolidate the accounts of The Currency Cloud Group Limited (formerly FX Capital Group Limited) and all of its subsidiary undertakings ('subsidiaries')

The results of subsidiaries acquired during the year are included from the effective date of acquisition

1.3 Turnover

Turnover comprises the gross value of foreign exchange transactions executed on behalf of the company's clients, consultancy fees and commissions. Foreign exchange transactions are recognised on a trade date basis and consultancy fees and commissions are recognised on an accruals basis. The cost to purchase currency is treated as a cost of sale. Fees charged to customers for the setup, customisation, and use of the company's platform are included in turnover and are recognised on an accruals basis.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Computer equipment	-	Straight line over 3 years
Fixtures & fittings	-	Straight line over 3 years

1.5 Investments

Investments in subsidiaries are valued at cost less provision for impairment.

1.6 Operating leases

Rentals under operating leases are charged to the Profit and loss account 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 period until the date the rent is expected to be adjusted to the prevailing market rate.

The Currency Cloud Group Limited (formerly FX Capital Group Limited)

Notes to the financial statements for the year ended 31 December 2012

1. Accounting policies (continued)

1.7 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse

Deferred tax assets and liabilities are not discounted

1.8 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction

Exchange gains and losses are recognised in the Profit and loss account

1.9 Amounts payable to clients

Amounts payable to clients comprise amounts receivable in advance from clients in respect of foreign currency transactions prior to the maturity date of a trade, currency owed to clients post maturity date awaiting settlement, and the market movements on client open trades

2. Turnover

All turnover arose within the United Kingdom

3. Other operating income

	2012 £	2011 £
Compliance income	-	2,500
Rents receivable	-	6,900
	<hr/>	<hr/>
	-	9,400
	<hr/>	<hr/>

The Currency Cloud Group Limited (formerly FX Capital Group Limited)

**Notes to the financial statements
for the year ended 31 December 2012**

4. Operating loss

The operating loss is stated after charging/(crediting)

	2012 £	2011 £
Depreciation of tangible fixed assets		
- owned by the group	42,649	38,076
Auditors' remuneration	15,500	11,340
Operating lease rentals		
- other operating leases	26,060	42,135
Difference on foreign exchange	43,293	13,998
	<u> </u>	<u> </u>

Auditors fees for the company were £4,645 (2011 - £4,200)

5. Staff costs

Staff costs, including directors' remuneration, were as follows

	2012 £	2011 £
Wages and salaries	1,357,083	498,637
Social security costs	146,298	47,892
	<u>1,503,381</u>	<u>546,529</u>

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

	2012 No.	2011 No.
	<u>17</u>	<u>11</u>

6. Directors' remuneration

	2012 £	2011 £
Remuneration	<u>441,754</u>	<u>173,875</u>

The highest paid director received remuneration of £212,450 (2011 - £53,833)

7. Interest payable

	2012 £	2011 £
On bank loans and overdrafts	<u>382</u>	<u>7,730</u>

The Currency Cloud Group Limited (formerly FX Capital Group Limited)

**Notes to the financial statements
for the year ended 31 December 2012**

8. Taxation

	2012 £	2011 £
Analysis of tax credit in the year		
UK corporation tax (credit)/charge on loss for the year	(105,746)	-
Adjustments in respect of prior periods	-	(56,874)
	<u>(105,746)</u>	<u>(56,874)</u>
Tax on loss on ordinary activities	<u>(105,746)</u>	<u>(56,874)</u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2011 - lower than) the standard rate of corporation tax in the UK of 24% (2011 - 26%). The differences are explained below

	2012 £	2011 £
Loss on ordinary activities before tax	<u>(1,746,413)</u>	<u>(688,093)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 24% (2011 - 26%)	(419,139)	(178,904)
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	70,489	34,684
Capital allowances for year in excess of depreciation	3,916	(1,071)
Utilisation of tax losses	(38,274)	-
Adjustments to tax charge in respect of prior periods	-	(56,874)
Short term timing difference leading to an increase (decrease) in taxation	(434)	-
Non-taxable income	(49,530)	-
Enhanced expenditure relief for research and development expenditure	(121,198)	(35,664)
Adjustment in research and development tax credit leading to an increase (decrease) in the tax charge	(105,746)	-
Tax deduction arising from exercise of employee options	-	(19,046)
Unrelieved tax losses carried forward	554,170	200,001
	<u>(105,746)</u>	<u>(56,874)</u>
Current tax credit for the year (see note above)	<u>(105,746)</u>	<u>(56,874)</u>

Included in "Adjustments in respect of prior periods" are research and development tax reclaims of £Nil (2011 £56,874)

As at the balance sheet date, the group has £2,154,905 (2011 £937,784) of trading losses available to be used against future trading profits

The Currency Cloud Group Limited (formerly FX Capital Group Limited)

Notes to the financial statements
for the year ended 31 December 2012

9. Tangible fixed assets

Group	Computer equipment £	Fixtures & fittings £	Total £
Cost			
At 1 January 2012	91,517	61,076	152,593
Additions	23,722	970	24,692
At 31 December 2012	115,239	62,046	177,285
Depreciation			
At 1 January 2012	60,638	19,478	80,116
Charge for the year	19,466	23,183	42,649
At 31 December 2012	80,104	42,661	122,765
Net book value			
At 31 December 2012	35,135	19,385	54,520
At 31 December 2011	30,879	41,598	72,477

10 Fixed asset investments

Company	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2012 and 31 December 2012	856,932
Net book value	
At 31 December 2012	856,932
At 31 December 2011	856,932

11. Debtors

	Group		Company	
	2012 £	2011 £	2012 £	2011 £
Trade debtors	22,098	-	-	-
Amounts owed by group undertakings	-	-	3,112,161	523,150
Other debtors	118,640	48,476	-	-
Prepayments and accrued income	154,864	55,027	-	-
	295,602	103,503	3,112,161	523,150

The Currency Cloud Group Limited (formerly FX Capital Group Limited)

**Notes to the financial statements
for the year ended 31 December 2012**

12. Cash at bank and in hand

The group cash balance as at 31 December 2012 of £10,764,385 (2011 £3,603,238) includes £8,153,466 (2011 £1,330,987) held in respect of customer balances, the corresponding liability for which is held within 'Amounts payable to clients' in Note 12. Of this amount, The Currency Cloud Limited held £8,153,466 (2011 £1,330,987) of cash in designated accounts in accordance with the EU Payment and Services Directive. The balance of client funds was placed with financial institutions as collateral/deposits on forward transactions.

**13. Creditors:
Amounts falling due within one year**

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Bank loans and overdrafts	-	7,812	-	-
Trade creditors	57,740	15,102	-	3,900
Amounts owed to group undertakings	-	-	1,000	1,001
Other taxation and social security	77,774	21,208	-	-
Amounts payable to clients	8,153,466	1,330,987	-	-
Other creditors	258	-	-	-
Accruals and deferred income	107,437	59,710	13,000	12,042
	8,396,675	1,434,819	14,000	16,943

14. Share capital

	2012	2011
	£	£
Allotted, called up and fully paid		
18,229,010 (2011 - 1,822,901) Ordinary A shares of £0.0001 each	1,823	1,823
8,268,140 (2011 - 1,529,688) Ordinary B shares of £0.0001 each	827	1,530
33,704,870 (2011 - 1,531,250) A Preferred shares of £0.0001 each	3,370	1,531
	6,020	4,884

The Currency Cloud Group Limited (formerly FX Capital Group Limited)

Notes to the financial statements for the year ended 31 December 2012

14. Share capital (continued)

Allotments

On 29 June 2012, the company issued 1,136,363 A Preferred shares of £0 001 each in the capital of the company for a total consideration of £2,000,000

On 21 August 2012, 702,874 Ordinary B shares of £0 001 each in the capital of the company were consolidated into a single unclassified ordinary share and then immediately sub-divided into 702,874 A Preferred shares of £0 001 each

On 6 November 2012, each of the 6,020,202 shares of £0 001 each in the capital of the company was sub-divided in to 10 shares of £0 0001 each in the capital of the company

Share Option

On 26 March 2009, the company set up two share option schemes for Nigel Verdon, a director of the company. Both share option schemes grant 159,000 Ordinary A shares of £0 001 each with an exercise price of 3 929 pence per share. During the prior year, the first share option for 159,000 Ordinary A shares of £0 001 each was exercised at a price of £0 03929 per share.

The second share option scheme may only be exercised at the earliest of, the buyer giving notice to the company agreeing that the company has achieved a valuation of no less than £20 million, and the date of approval of the company accounts which submits that the company has achieved a valuation of no less than £20 million. The exercise must be made within 12 months of the earliest of the above dates otherwise the share options will lapse. Once exercise has been made, the company will issue 47,700 Ordinary A shares of £0 001 each to Nigel Verdon and then continue to issue 4,638 Ordinary A shares of £0 001 each, each month for a period of 12 months. Subsequently, the company will issue 4,637 Ordinary A shares of £0 001 each, each month for a further period of 12 months.

The second share option still remained as at the balance sheet date.

EMI Scheme

The company operates an Employee Management Incentive scheme, whereby employees have been granted options to purchase shares in the company. There are no requirements to be satisfied in order for the options to vest. Options lapse on the tenth anniversary of the date on which they were granted. Options are to be settled, upon payment by the option holder of the exercise price, with the allotment of shares in the company.

There were no awards outstanding at the beginning of the period. Awards of 5,512,180 shares were made during the year (2011: nil), all of which are outstanding as at 31 December 2012 (2011: nil).

Fair value of the services received cannot be reliably determined and therefore the options have been valued at the fair value of the equity instruments granted. Fair value is considered to be restricted market value less exercise price.

The weighted average fair value of options granted in the period was £0 01. This was calculated as being the restricted market value of £0 068 less the exercise price of £0 058. No adjustment was made for the expected volatility in the share price as this is expected to be minimal, by virtue of the nature of the company. There are not considered to be any other features of the grant that affect the fair value.

The total expense for the period was £11,615 (2011: £nil), and no liability (2011: nil) is outstanding in respect of share based payments as at 31 December 2012.

The Currency Cloud Group Limited (formerly FX Capital Group Limited)

**Notes to the financial statements
for the year ended 31 December 2012**

15. Reserves

	Share premium account £	Other reserves £	Profit and loss account £
Group			
At 1 January 2012	3,547,706	-	(1,208,191)
Loss for the financial year	-	-	(1,643,456)
Premium on shares issued during the year	1,999,083	-	-
Movement on other reserves	-	10,602	-
At 31 December 2012	<u>5,546,789</u>	<u>10,602</u>	<u>(2,851,647)</u>
	Share premium account £	Other reserves £	Profit and loss account £
Company			
At 1 January 2012	3,547,706	-	(289,263)
Loss for the financial year	-	-	(300,921)
Premium on shares issued during the year	1,999,083	-	-
Movement on other reserves	-	11,615	-
At 31 December 2012	<u>5,546,789</u>	<u>11,615</u>	<u>(590,184)</u>

16. Reconciliation of movement in shareholders' funds

	2012 £	2011 £
Group		
Opening shareholders' funds	2,344,399	20,112
Loss for the financial year	(1,643,456)	(631,219)
Shares issued during the year	1,136	2,228
Share premium on shares issued (net of expenses)	1,999,083	2,965,142
Movement on other reserves	10,602	(11,864)
Closing shareholders' funds	<u>2,711,764</u>	<u>2,344,399</u>
	2012 £	2011 £
Company		
Opening shareholders' funds	3,263,327	498,306
Loss for the financial year	(300,921)	(190,485)
Shares issued during the year	1,136	2,228
Share premium on shares issued (net of expenses)	1,999,083	2,965,142
Movement on other reserves	11,615	(11,864)
Closing shareholders' funds	<u>4,974,240</u>	<u>3,263,327</u>

The company has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own Profit and loss account

The loss for the year dealt with in the accounts of the company was £300,921 (2011 - £-190,485)

The Currency Cloud Group Limited (formerly FX Capital Group Limited)

Notes to the financial statements for the year ended 31 December 2012

17. Related party transactions

During the year N Verdon, a director of the company was paid a salary of £108,000 (2011 £26,000) The company also met personal expenditure of £Nil (2011 £276)

The company completed personal trades during the year on behalf of N Verdon of £591,260 (2011 £25,713)

N Verdon made payments to the company of £591,260 (2011 £23,574) and received payments from the company of £108,000 (2011 £28,093) At the year end there is a balance of £Nil due to N Verdon (2011 £Nil)

18. Operating lease commitments

At 31 December 2012 the group had annual commitments under non-cancellable operating leases as follows

	Land and buildings	
	2012	2011
Group	£	£
Expiry date.		
Between 2 and 5 years	26,767	26,767

19. Controlling party

There is no majority shareholding in the share capital of the company and therefore there is considered to be no one controlling party

20. Principal subsidiaries

The following subsidiaries have been included in these consolidated accounts due to the existence of dominant influence

Company name	Country	Percentage Shareholding	Description
The Currency Cloud Limited	England & Wales	100	Foreign exchange and international payments
FX CG Services Limited	England & Wales	100	Non-trading
The Currency Cloud Malta Limited	Malta	60	Foreign exchange and international payments
The Currency Cloud Services Limited	England & Wales	100	Development of in-house specialist technology platform

21. Minority interests

As at 31 December 2012, minority interests' share of net assets and liabilities in subsidiary undertakings was £6,038 (2011 £nil)

The Currency Cloud Group Limited (formerly FX Capital Group Limited)

**Notes to the financial statements
for the year ended 31 December 2012**

22. Net cash flow from operating activities

	2012 £	2011 £
Operating loss	(1,748,691)	(680,983)
Depreciation of tangible fixed assets	42,649	38,076
(Increase)/decrease in debtors	(122,796)	9,944
Increase in creditors	6,969,666	40,451
Net cash inflow/(outflow) from operating activities	5,140,828	(592,512)

23. Analysis of cash flows for headings netted in cash flow statement

	2012 £	2011 £
Returns on investments and servicing of finance		
Interest received	2,660	620
Interest paid	(382)	(7,730)
Income from investments	(1,013)	-
Income from investments in related companies	11,615	(11,864)
Dividends paid to minority interests	3,279	-

Net cash inflow/(outflow) from returns on investments and servicing of finance	16,159	(18,974)
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	2012 £	2011 £
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(24,692)	(48,676)

	2012 £	2011 £
Financing		
Issue of ordinary shares	2,000,219	2,967,370
Repayment of other loans	-	(188,136)

Net cash inflow from financing	2,000,219	2,779,234
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24. Analysis of changes in net debt

	1 January 2012 £	Cash flow £	Other non-cash changes £	31 December 2012 £
Cash at bank and in hand	3,603,238	7,161,147	-	10,764,385
Bank overdraft	(7,812)	7,812	-	-
Net funds	3,595,426	7,168,959	-	10,764,385