

Registered number: 06324658

The Currency Cloud Group Limited

Annual report and financial statements

For the year ended 31 December 2015

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COMPANIES HOUSE

The Currency Cloud Group Limited

Company Information

Directors

N Verdon
M Laven
J White
S Park (resigned 20 January 2015)
R Moore
N R Shaikh (appointed 20 January 2015)
M Lenson (appointed 1 April 2015)
A Weiskam (appointed 4 June 2015)

Company secretary

D Mason

Registered number

06324658

Registered office

The Steward Building, 1st Floor
12 Steward Street
London
E1 6FQ

Independent auditors

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

The Currency Cloud Group Limited

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The Currency Cloud Group Limited

Group strategic report For the Year Ended 31 December 2015

Introduction

The directors have pleasure in presenting their strategic report for the year ended 31 December 2015. The directors aim is to present a balanced and comprehensive review of the development and performance of the group's business during the year and its position at the year end. The review is consistent with the size and nature of the business and is written in the context of the risks and uncertainties that the group faces.

Business review

The Board is pleased to report another year of growth, with gross turnover growing 20% to £4.2 billion (2014: £3.5 billion). Gross profit at £2.888 million (2014: £1.877 million) increased 54% on 2014 due to general growth in the business. The Board looks to build further on the progress achieved across the group to date and will look to increase its client base and product offering in the year ahead.

Administrative expenses at £9.043 million (2014: £6.749 million) increased 34% due mainly to continued investment in recruiting staff and in technology infrastructure as well as charges relating to compliance and operations. This has led to a year end net loss after tax of £5.784 million (2014: £4.615 million).

In 2014 the Group started international business development by setting up a US subsidiary, The Currency Cloud Inc, and opening an office in New York. The plan is for this subsidiary to apply for US state licensing as a Money Transmitter in all 50 US states, and the application process is currently on track against target.

In 2015 the business continued developing the technology for its cross border payments platform offering, increasing its global banking network so as to increase its local pay-out capabilities and increasing the number of clients to whom they provide services. In April 2015 the group upgraded its Financial Conduct Authority ("FCA") registration from that of a payment institution to become an E-money business, and in the year the group also became ISO 27001 certified.

In April 2015 the company raised a further £12 million of investment funds from its existing investors plus Sapphire Ventures and Rakuten Bank. In 2015 these funds were used to continue the development of the cross border payments platform and the international infrastructure of the business including the US state licensing. Due to the investment the group ended the year with a non-customer balance of funds of £7.4 million.

The board estimate that the group will end 2016 with a non-customer balance of funds of £0.8 million and that a further £6 - 7m of investment funding will be required to continue business in 2017. Shareholders have committed to provide new additional investment funding and the board are currently considering the different funding scenarios.

Principal risks and uncertainties

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

Financial risk

The key financial risk for the group is foreign currency risk that arises through the provision of foreign exchange services, the group looks to reduce any client risk at the time of execution by entering into FX hedging contracts.

Additional financial risk could come out of Brexit, the impact of which is yet not known. The group is currently undertaking planning and is drafting a planned strategy to protect it from any loss of business due to Brexit.

Earnings growth

There is a risk to shareholder value if the group is unable to grow its key business areas. Its success is dependent upon the correct strategies being identified and implemented by a capable management team as well as external factors.

The Currency Cloud Group Limited

Group strategic report (continued) For the Year Ended 31 December 2015

Operational risk

This is the risk of a direct or indirect loss resulting from inadequacies or failures in project, processes or controls due to technology, staff, organisations or external factors. To monitor and control operational risk, the group maintains a system of comprehensive policies and controls 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.

Liquidity risk

This is the risk of insufficient liquid funds being available to meet the group's working capital requirements. TCC monitors its liquidity levels and has mitigating controls in place to reduce the risk of a liquidity event. TCC at a company level is required to maintain capital at a level to meet the Financial Conduct Authorities capital adequacy requirement.

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 company. The group has robust policies in place to review substantial credit exposures prior to entering into a transaction with a client and monitor open exposures.

Financial key performance indicators

The key financial performance indicators are:

	2015	2014	2013
	£'000	£'000	£'000
Gross Profit	2,888	1,877	1,693
Loss before tax	(6,212)	(4,915)	(2,131)

Going concern

After making enquiries, the directors have a reasonable expectation that the group and the company have adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis in preparing the financial statements.

This report was approved by the board on


M Laven
Director

31.8.2016

and signed on its behalf.

The Currency Cloud Group Limited

Directors' report For the Year Ended 31 December 2015

The directors present their report and the financial statements for the year ended 31 December 2015.

Principal activity

The principal activity of the group during the year was that of the provision of international payments and currency conversion services via in-house developed technology. The platform is offered to White Label Partners as well as being offered as an Application Program Interface.

Directors

The directors who served during the year were:

N Verdon
M Laven
J White
S Park (resigned 20 January 2015)
R Moore
N R Shaikh (appointed 20 January 2015)
M Lenson (appointed 1 April 2015)
A Weiskam (appointed 4 June 2015)

Results and dividends

The loss for the year, after taxation and minority interests, amounted to £5.784m (2014 - loss £4.615m).

Interim dividends of £Nil were paid during the year (2014: £Nil). The directors recommended the payment of a final dividend of £Nil (2014: £Nil).

Financial instruments

The group's principal financial instruments are comprised of bank balances, trade debtors, trade creditors, amounts payable to clients, amounts to and from group undertakings, bank loans, forward exchange contracts and currency swaps. The main risks arising from the financial instruments are interest rate, liquidity risk and foreign currency risk.

Due to the nature of the financial instruments used by the group, there is no exposure to price risk. The group's approach to managing other risks applicable to the financial instruments concerned is set out below.

In respect of bank balances, the liquidity risk is managed by maintaining a balance between the continuity of funding and flexibility through the use of the group's bank balance. The group makes use of money market facilities where surplus funds are available.

Loans are comprised of overdrafts from the financial institutions and related parties. The interest rate on these loans is variable. The group manages the liquidity risk by ensuring that there are sufficient funds to meet the repayments. The group manages the credit and cash flow risk via the regular monitoring of amounts outstanding to and from group undertakings and the active participation in the management of the group undertakings by the directors.

Trade debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered by customers and regular monitoring of amounts outstanding for both time and credit limits.

Trade creditors' liquidity risk is managed by ensuring that sufficient funds are available to meet amounts due.

The group seeks to manage foreign exchange risk by matching receipts and payments in foreign currencies as far as possible by using currency swaps and forward exchange contracts.

The Currency Cloud Group Limited

Directors' report (continued) For the Year Ended 31 December 2015

Company's policy for payment of creditors

The group's current policy concerning the payment of suppliers is to pay in accordance with the group's contractual and other legal obligations.

Disabled employees

It is the group's policy to give full and fair consideration to applicants for employment made by disabled persons, having regard to their particular aptitude and abilities. Wherever possible, arrangements are made for the continued employment of persons who have become disabled during service and for the appropriate training, career development and promotion of disabled persons.

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) CA2006.

Directors' responsibilities statement

The directors are responsible for preparing the Group strategic report, the Directors' report and the consolidated 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 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 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 for the Group 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; and
- 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.

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.

The Currency Cloud Group Limited

Directors' report (continued) For the Year Ended 31 December 2015

Going Concern

After making enquiries, the directors have a reasonable expectation that the group and the company have adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis in preparing the financial statements.


Post balance sheet events

Following the year end the company have agreed the sale of a 60% share of The Currency Cloud Malta Limited. Additional detail regarding this has been included within Note 28 'Post balance sheet events'.

Auditors

Under section 487(2) of the Companies Act 2006, Kreston Reeves 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 31.8.2016 and signed on its behalf.


M Laven
Director

The Currency Cloud Group Limited

Independent auditors' report to the shareholders of The Currency Cloud Group Limited

We have audited the financial statements of The Currency Cloud Group Limited for the year ended 31 December 2015, set out on pages 8 to 36. The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2006 and the 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'.

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 on page 4, 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 Financial Reporting Council'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 Group annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and the parent Company's affairs as at 31 December 2015 and of the Group's profit or 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.

Emphasis of matter

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 2.3 to the financial statements concerning the group's ability to continue as a going concern. The group incurred a net loss of £5.784m during the year ended 31 December 2015. These conditions, along with the other matters explained in note 2.3 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the group's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the group was unable to continue as a going concern.

The Currency Cloud Group Limited

Independent auditors' report to the shareholders of The Currency Cloud Group Limited (continued)

Opinion on other matter prescribed by the Companies Act 2006

In our opinion 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 those accounts. In the light of our knowledge and understanding of the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors Report.

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.

Kreston Reeves LLP

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

for and on behalf of
Kreston Reeves LLP

Statutory Auditors and Chartered Accountants

Third Floor
24 Chiswell Street
London
EC1Y 4YX

Date: *23 SEPTEMBER 2016*

The Currency Cloud Group Limited

Consolidated statement of comprehensive income For the Year Ended 31 December 2015

	Note	2015 £000	As restated 2014 £000
Turnover		4,224,128	3,482,634
Cost of sales		(4,221,240)	(3,480,757)
Gross profit		2,888	1,877
Administrative expenses		(9,043)	(6,749)
Operating loss	5	(6,155)	(4,872)
Interest receivable and similar income	10	13	5
Interest payable and expenses	11	(70)	(48)
Loss before taxation		(6,212)	(4,915)
Tax on loss	12	428	300
Loss for the year		(5,784)	(4,615)
Other comprehensive income			
Movement on foreign exchange reserve		(2)	(3)
Movement on share based payment reserve options		73	36
Other comprehensive income for the year		71	33
Total comprehensive income for the year		(5,713)	(4,582)
Non-controlling interests		(1)	1
Owners of the parent Company		(5,783)	(4,616)
		(5,784)	(4,615)
Non-controlling interest		(1)	1
Owners of the parent Company		(5,712)	(4,583)
		(5,713)	(4,582)

The Currency Cloud Group Limited
Registered number: 06324658

Consolidated statement of financial position
As at 31 December 2015

			2015	As restated
	Note	£000	£000	2014 £000
Fixed assets				
Tangible assets	13		<u>187</u>	<u>192</u>
			187	192
Current assets				
Debtors	15	2,085		2,053
Cash at bank and in hand	16	<u>7,377</u>		<u>1,515</u>
		9,462		3,568
Creditors: amounts falling due within one year	17	<u>(2,137)</u>		<u>(1,986)</u>
Net current assets			<u>7,325</u>	<u>1,582</u>
Total assets less current liabilities			<u>7,512</u>	<u>1,774</u>
Creditors: amounts falling due after more than one year	18		-	(583)
Net assets			<u><u>7,512</u></u>	<u><u>1,191</u></u>
Capital and reserves				
Called up share capital	21		12	8
Share premium account	23		22,575	10,545
Foreign exchange reserve	23		(6)	(4)
Other reserves	23		149	76
Profit and loss account	23		(15,225)	(9,442)
Equity attributable to owners of the parent Company			<u>7,505</u>	<u>1,183</u>
Non-controlling interests			<u>7</u>	<u>8</u>
			<u><u>7,512</u></u>	<u><u>1,191</u></u>

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



M Laven
Director

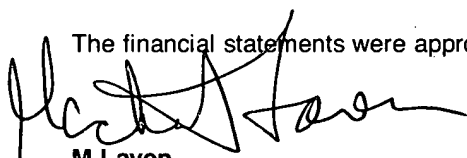
The notes on pages 16 to 36 form part of these financial statements.

The Currency Cloud Group Limited
Registered number: 06324658

Company statement of financial position
As at 31 December 2015

	Note	£000	2015 £000	£000	2014 £000
Fixed assets					
Investments	14		1,534		859
			<u>1,534</u>		<u>859</u>
Current assets					
Debtors	15	12,851		8,413	
Cash at bank and in hand	16	6,424		1,144	
		<u>19,275</u>		<u>9,557</u>	
Creditors: amounts falling due within one year	17	(859)		(688)	
Net current assets			<u>18,416</u>		<u>8,869</u>
Total assets less current liabilities			<u>19,950</u>		<u>9,728</u>
Creditors: amounts falling due after more than one year	18		-		(583)
Net assets			<u>19,950</u>		<u>9,145</u>
Capital and reserves					
Called up share capital	21		12		8
Share premium account	23		22,575		10,545
Other reserves	23		149		76
Profit and loss account	23		(2,786)		(1,484)
			<u>19,950</u>		<u>9,145</u>

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


M Laven
 Director

The Currency Cloud Group Limited

Consolidated statement of changes in equity
For the Year Ended 31 December 2015

	Called up share capital £000	Share premium account £000	Foreign exchange reserve £000	Other reserves £000	Profit and loss account £000	Equity attributable to owners of parent Company £000	Non- controlling interests £000	Total equity £000
At 1 January 2015	8	10,545	(4)	76	(9,442)	1,183	8	1,191
Comprehensive income for the year								
Loss for the year	-	-	-	-	(5,783)	(5,783)	(1)	(5,784)
Movement on foreign exchange reserve	-	-	(2)	-	-	(2)	-	(2)
Other movement	-	-	-	73	-	73	-	73
Other comprehensive income for the year	-	-	(2)	73	-	71	-	71
Total comprehensive income for the year	-	-	(2)	73	(5,783)	(5,712)	(1)	(5,713)
Shares issued during the year	4	12,030	-	-	-	12,034	-	12,034
Total transactions with owners	4	12,030	-	-	-	12,034	-	12,034
At 31 December 2015	12	22,575	(6)	149	(15,225)	7,505	7	7,512

The Currency Cloud Group Limited

**Consolidated statement of changes in equity
For the Year Ended 31 December 2014**

	Called up share capital	Share premium account	Foreign exchange reserve	Other reserves	Profit and loss account	Equity attributable to owners of parent Company	Non- controlling interests	Total equity
	£000	£000	£000	£000	£000	£000	£000	£000
At 1 January 2014	8	10,545	(1)	40	(4,826)	5,766	7	5,773
Comprehensive income for the year								
Loss for the year	-	-	-	-	(4,616)	(4,616)	1	(4,615)
Movement on foreign exchange reserve	-	-	(3)	-	-	(3)	-	(3)
Movement on share based payments reserve options	-	-	-	36	-	36	-	36
Other comprehensive income for the year	-	-	(3)	36	-	33	-	33
Total comprehensive income for the year	-	-	(3)	36	(4,616)	(4,583)	1	(4,582)
Total transactions with owners	-	-	-	-	-	-	-	-
At 31 December 2014	8	10,545	(4)	76	(9,442)	1,183	8	1,191

The notes on pages 16 to 36 form part of these financial statements.

The Currency Cloud Group Limited

**Company statement of changes in equity
For the Year Ended 31 December 2015**

	Called up share capital £000	Share premium account £000	Other reserves £000	Profit and loss account £000	Total equity £000
At 1 January 2015	8	10,545	76	(1,484)	9,145
Comprehensive income for the year					
Loss for the year	-	-	-	(1,302)	(1,302)
Movement on share based payment reserve options	-	-	73	-	73
Other comprehensive income for the year	-	-	73	-	73
Total comprehensive income for the year	-	-	73	(1,302)	(1,229)
Contributions by and distributions to owners					
Shares issued during the year	4	12,030	-	-	12,034
Total transactions with owners	4	12,030	-	-	12,034
At 31 December 2015	12	22,575	149	(2,786)	19,950

The Currency Cloud Group Limited

**Company statement of changes in equity
For the Year Ended 31 December 2014**

	Called up share capital £000	Share premium account £000	Other reserves £000	Profit and loss account £000	Total equity £000
At 1 January 2014	8	10,545	40	(656)	9,937
Comprehensive income for the year					
Loss for the year	-	-	-	(828)	(828)
Movement on share based payments reserve options	-	-	36	-	36
Other comprehensive income for the year	-	-	36	-	36
Total comprehensive income for the year	-	-	36	(828)	(792)
Total transactions with owners	-	-	-	-	-
At 31 December 2014	8	10,545	76	(1,484)	9,145

The notes on pages 16 to 36 form part of these financial statements.

The Currency Cloud Group Limited

**Consolidated statement of cash flows
For the Year Ended 31 December 2015**

	2015 £000	As restated 2014 £000
Cash flows from operating activities		
Profit for the financial year	(5,784)	(4,615)
Adjustments for:		
Depreciation of tangible assets	181	99
Loss on disposal of tangible assets	-	1
Interest paid	70	48
Interest received	(13)	(5)
Taxation	(428)	(300)
Decrease/(increase) in debtors	118	(1,269)
(Decrease) in creditors	(151)	(7,367)
Corporation tax	300	300
Share based payments	73	36
Net cash generated from operating activities	(5,634)	(13,072)
Cash flows from investing activities		
Purchase of tangible fixed assets	(176)	(102)
Interest received	13	5
Net cash from investing activities	(163)	(97)
Cash flows from financing activities		
Issue of ordinary shares	12,034	-
New secured loans	278	333
Other loans	-	583
Repayment of other loans	(583)	-
Interest paid	(70)	(48)
Net cash used in financing activities	11,659	868
Cash and cash equivalents at beginning of year	1,515	13,816
Cash and cash equivalents at the end of year	7,377	1,515
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	7,377	1,515
	7,377	1,515

The Currency Cloud Group Limited

Notes to the financial statements For the Year Ended 31 December 2015

1. General information

The Currency Cloud Group Limited is a limited liability company incorporated in England. The address of the registered office is First Floor, The Steward Building, 12 Steward Street, London E1 6FQ. The principal activity of the group is the provision of international payments and currency conversion services via in-house developed technology. This platform is offered to White Label Partners as well as being offered as an Application Program Interface (API).

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention 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.

Information on the impact of first-time adoption of FRS 102 is given in note 30.

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 Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of The Currency Cloud Group Limited and its own subsidiaries ("the Group") as they formed 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 Going concern

Despite the group reporting a loss for the year of £5,784,594 (2014: £4,615,673) as at 31 December 2015, the financial statements have been prepared on a going concern basis. It is estimated that an additional £6-7m of funds will be required to maintain operational existence to the end of 2017. Management of the company believe that this will be obtained.

2.4 Revenue

Revenue 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 revenue and are recognised on an accruals basis.

**Notes to the financial statements
For the Year Ended 31 December 2015**

2. Accounting policies (continued)

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:

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

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 Operating leases: the Group as lessee

Rentals paid 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 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 2014 to continue to be charged over the period to the first market rent review rather than the term of the lease.

2.7 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment. Where merger relief is applicable, the cost of the investment in a subsidiary undertaking is measured at the nominal value of the shares issued together with the fair value of any additional consideration paid.

2.8 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.

The Currency Cloud Group Limited

Notes to the financial statements For the Year Ended 31 December 2015

2. Accounting policies (continued)

2.9 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.

The company holds client money on behalf of clients in accordance with client money rules of the Financial Conduct Authority (firm reference number: 900199). Client monies held in segregated bank accounts in accordance with regulations and the corresponding liabilities to these clients are not recognised in the balance sheet because monies are held in trust and the Company is not beneficially entitled to them.

2.10 Financial instruments

The Group only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, 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 payables or receivables, 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 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.

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 Income statement.

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 reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position 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.

The Currency Cloud Group Limited

Notes to the financial statements For the Year Ended 31 December 2015

2. Accounting policies (continued)

2.11 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.

2.12 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 income statement 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 income statement within 'finance income or costs'. All other foreign exchange gains and losses are presented in the income statement within 'other operating income'.

On consolidation, the results of overseas operations are translated into sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

2.13 Finance costs

Finance costs are charged to the Income statement 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.

The Currency Cloud Group Limited

Notes to the financial statements For the Year Ended 31 December 2015

2. Accounting policies (continued)

2.14 Share based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to the Income statement over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each Statement of financial position date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the Group keeping the scheme open or the employee maintaining any contributions required by the scheme).

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

Where equity instruments are granted to persons other than employees, the Income statement is charged with fair value of goods and services received.

2.15 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 payments obligations.

The contributions are recognised as an expense in the Income statement when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Group in independently administered funds.

2.16 Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the Statement of financial position date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the Statement of financial position date.

2.17 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.

2.18 Interest income

Interest income is recognised in the Income statement using the effective interest method.

2.19 Borrowing costs

All borrowing costs are recognised in the Income statement in the year in which they are incurred.

Notes to the financial statements
For the Year Ended 31 December 2015

2. Accounting policies (continued)

2.20 Taxation

Tax is recognised in the Income statement, except that a change 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 reporting 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 Statement of financial position 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 reporting date.

2.21 Research and development

Research and development expenditure is written off in the year in which it is incurred.

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

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Critical judgements in applying the entity's accounting policies:

There were no significant judgements.

(b) Critical accounting estimates and assumptions

(i) *Useful economic lives of tangible assets*

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on economic utilisation and physical condition of the assets. See note 13 for the carrying amount of the property, plant and equipment and note 2.5 for the useful economic lives for each class of asset.

(ii) *Fair value of financial instruments*

When the fair value of financial assets and liabilities cannot be measured based on quoted prices in active markets, the fair value is measured using valuation techniques. See note 20 for further details.

The Currency Cloud Group Limited

Notes to the financial statements For the Year Ended 31 December 2015

4. Turnover

Analysis of turnover by country of destination:

	2015 £000	2014 £000
United Kingdom	4,887	3,361
Rest of Europe	2,540,150	1,704,489
Rest of the World	1,679,091	1,774,784
	<u>4,224,128</u>	<u>3,482,634</u>

5. Operating loss

The operating loss is stated after charging:

	2015 £000	2014 £000
Research & development charged as an expense	1,362	3,717
Depreciation of tangible fixed assets	181	99
Fees payable to the Group's auditor and its associates for the audit of the company's annual financial statements	27	21
Exchange differences	(322)	103
Other operating lease rentals	196	101
Defined contribution pension cost	72	50
	<u>72</u>	<u>50</u>

6. Auditors' remuneration

	2015 £000	2014 £000
Fees payable to the Group's auditor and its associates for the audit of the Group's annual accounts	9	5
	<u>9</u>	<u>5</u>
Fees payable to the Group's auditor and its associates in respect of:		
The auditing of accounts of associates of the Group pursuant to legislation	17	13
All other non-audit services not included above	1	3
	<u>18</u>	<u>16</u>

The Currency Cloud Group Limited

Notes to the financial statements For the Year Ended 31 December 2015

7. Employee costs

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

	2015 £000	2014 £000
Wages and salaries	4,645	3,040
Social security costs	560	384
Costs of defined contribution scheme	72	50
	<u>5,277</u>	<u>3,474</u>

8. Employee numbers

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

	2015 £000	1900 £000
Directors	3	3
The Currency Cloud Limited	12	6
Sales	6	5
Marketing	9	5
Technology	18	14
Operations	5	6
Finance	4	3
Compliance	7	2
	<u>64</u>	<u>44</u>

9. Directors' remuneration

	2015 £000	2014 £000
Directors' emoluments	336	434
	<u>336</u>	<u>434</u>

The highest paid director received remuneration of £150k (2014 - £211k).

10. Interest receivable

	2015 £000	2014 £000
Other interest receivable	13	5
	<u>13</u>	<u>5</u>

The Currency Cloud Group Limited

Notes to the financial statements For the Year Ended 31 December 2015

11. Interest payable and similar charges

	2015 £000	2014 £000
Bank interest payable	70	48
	<u>70</u>	<u>48</u>

12. Taxation

	2015 £000	2014 £000
Corporation tax		
Current tax on profits for the year	(428)	(300)
Total current tax	<u>(428)</u>	<u>(300)</u>

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2014 - higher than) the standard rate of corporation tax in the UK of 20.25% (2014 - 21.5%). The differences are explained below:

	2015 £000	2014 £000
Profit on ordinary activities before tax	(6,212)	(4,915)
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.25% (2014 - 21.5%)	(1,258)	(1,057)
Effects of:		
Non-tax deductible amortisation of goodwill and impairment	-	159
Provisions tax adjustment	-	4
Enhanced expenditure relief for research and development expenditure	-	(260)
Adjustment in research and development credit leading to an increase (decrease) in the tax charge	(452)	(300)
Unrelieved tax losses carried forward	1,282	1,141
Adjustments in respect of provisions	-	10
Other	-	3
Total tax charge for the year	<u>(428)</u>	<u>(300)</u>

Factors that may affect future tax charges

At the balance sheet date, the group has £11.306m (2014: £6.468m) of trading losses available to be used against future trading profits.

The Currency Cloud Group Limited

Notes to the financial statements For the Year Ended 31 December 2015

13. Tangible fixed assets

Group

	Computer equipment £000	Fixtures & fittings £000	Total £000
Cost or valuation			
At 1 January 2015	250	165	415
Additions	162	14	176
Disposals	(75)	(1)	(76)
At 31 December 2015	337	178	515
Depreciation			
At 1 January 2015	150	73	223
Charge owned for the period	91	90	181
Disposals	(75)	(1)	(76)
At 31 December 2015	166	162	328
Net book value			
At 31 December 2015	171	16	187
At 31 December 2014	100	92	192

14. Fixed asset investments

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Country of incorporation	Class of shares	Holding	Principal activity
The Currency Cloud Limited	England & Wales	Ordinary	100 %	Foreign exchange and international payments
FX CG Services Limited	England & Wales	Ordinary	100 %	Non-trading
The Currency Cloud Malta Limited	Malta	Ordinary	60 %	Foreign exchange and international payments
The Currency Cloud Services Limited	England & Wales	Ordinary	100 %	Development of in-house specialist technology platform
The Currency Cloud Incorporated	United States of America	Ordinary	100 %	Foreign exchange and international payments

The Currency Cloud Group Limited

**Notes to the financial statements
For the Year Ended 31 December 2015**

14. Fixed asset investments (continued)

Company

	Investments in subsidiary companies £000
Cost or valuation	
At 1 January 2015	859
Additions	675
At 31 December 2015	<u>1,534</u>
At 31 December 2015	<u>-</u>
Net book value	
At 31 December 2015	<u>1,534</u>
At 31 December 2014	<u>859</u>

15. Debtors

	Group 2015 £000	Group As restated 2014 £000	Company 2015 £000	Company As restated 2014 £000
Due after more than one year				
Other debtors	81	68	-	-
	<u>81</u>	<u>68</u>	<u>-</u>	<u>-</u>
Due within one year				
Trade debtors	475	589	-	-
Amounts owed by group undertakings	-	-	12,827	8,413
Other debtors	555	369	4	-
Prepayments and accrued income	974	1,027	20	-
	<u>2,085</u>	<u>2,053</u>	<u>12,851</u>	<u>8,413</u>

The Currency Cloud Group Limited

**Notes to the financial statements
For the Year Ended 31 December 2015**

16. Cash and cash equivalents

	Group	Group	Company	Company
	2015	As restated	2015	As restated
	£000	2014	£000	2014
		£000		£000
Cash at bank and in hand	7,377	1,515	6,424	1,144
	7,377	1,515	6,424	1,144

17. Creditors: Amounts falling due within one year

	Group	Group	Company	Company
	2015	2014	2015	2014
	£000	£000	£000	£000
Bank loans	611	333	611	333
Trade creditors	203	905	-	-
Amounts owed to group undertakings	-	-	232	344
Corporation tax	26	-	-	-
Taxation and social security	187	120	-	-
Other creditors	326	107	-	-
Accruals and deferred income	784	521	16	11
	2,137	1,986	859	688

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

	Group	Group	Company	Company
	2015	2014	2015	2014
	£000	£000	£000	£000
Other loans	-	583	-	583
	-	583	-	583

19. Loans

	Group	Group	Company	Company
	2015	2014	2015	2014
	£000	£000	£000	£000
Amounts falling due within one year				
Bank loans	611	333	611	333
	611	333	611	333
Other loans				
	-	583	-	583
	-	583	-	583

The Currency Cloud Group Limited

Notes to the financial statements For the Year Ended 31 December 2015

20. Financial instruments

	Group 2015 £000	Group 2014 £000	Company 2015 £000	Company 2014 £000
Financial assets				
Financial assets that are debt instruments measured at amortised cost	1,410	1,463	12,831	8,413
	1,410	1,463	12,831	8,413
Financial liabilities				
Financial liabilities measured at amortised cost	(2,137)	(1,986)	(859)	(688)
	(2,137)	(1,986)	(859)	(688)

Financial assets measured at amortised cost comprise trade receivables, accrued income and other debtors.

Financial Liabilities measured at amortised cost comprise bank overdrafts, trade payables, other creditors and accruals.

21. Share capital

	2015 £000	2014 £000
Shares classified as equity		
Allotted, called up and fully paid		
13,440,734 (2014 - 1,339,000) Ordinary A shares of £0.0001 each	1	1
7,357,340 Ordinary B shares of £0.0001 each	1	1
33,704,870 A Preferred shares of £0.0001 each	3	3
25,246,649 B Preferred shares of £0.0001 each	3	3
40,000,000 C Preferred shares of £0.0001 each	4	-
	12	8

**Notes to the financial statements
For the Year Ended 31 December 2015**

21. Share capital (continued)

Share option

During 2015, the company conducted a series C round and issued 40 million of preferred C shares. A secondary transfer of 1,474,940 shares was made from Nigel Verdon to Atlas Ventures Fund VIII LP.

On 26 March 2009, the company set up two share option schemes for Nigel Verdon, a director of the company. Both share option schemes granted 159,000 Ordinary A shares of £0.0001 each with an exercise price of £0.03929 per share. During 2011, the first share option for 159,000 Ordinary A shares of £0.001 each was exercised at a price of £0.03929 per share.

In 2012, each Ordinary A share was sub-divided in to 10 Ordinary A shares of £0.0001 each. As a consequence, the remaining option is now for 1,590,000 Ordinary A shares, with an exercise price of £0.003929 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 option will lapse. Once exercise has been made, the company will issue 477,000 Ordinary A shares of £0.0001 each to Nigel Verdon and then continue to issue 46,380 Ordinary A shares of £0.0001 each, each month for a period of 12 months. Subsequently, the company will issue 46,370 Ordinary A shares of £0.0001 each, each month for a further period of 12 months.

The second share option still remained as at the balance sheet date. The weighted average fair value of options was £0.0641. This was calculated as being the restricted market value of £0.068, at the grant date, less the exercise price of £0.0039. 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 £Nil (2014: £Nil), and no liability (2014: £Nil) is outstanding as at 31 December 2015.

The Currency Cloud Group Limited

Notes to the financial statements For the Year Ended 31 December 2015

21. Share capital (continued)

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 awards of 7,556,649 shares (2014: 6,678,930) outstanding at the beginning of the period. Awards of 1,585,000 (2014: 1,352,540) were made during the year, awards of nil shares (2014: 454,821) lapsed during the year and awards of 652,679 (2014: 20,000) were exercised during the year. Awards of 8,488,970 shares were outstanding as at 31 December 2015 (2014: 7,556,649).

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 £0.073. This was calculated as being the restricted market value at the date the options were granted 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 £73,002 (2014: £35,888), and no liability (2014: £Nil) is outstanding in respect of share based payments as at 31 December 2015.

Contained within the figures stated above are awards of 4,810,530 shares (2014: 2,971,530) granted by the company which are not included in the EMI scheme as recognised by Her Majesty's Revenue & Customs. These awards differ from the remainder of the awards in no other way. The expense for the period in relation to these shares was £37,016 (2014: £6,757).

22. Parent company profit for the year

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 loss after tax of the parent Company for the year was £1,302k (2014 - loss £828k).

The Currency Cloud Group Limited

Notes to the financial statements For the Year Ended 31 December 2015

23. Reserves

Share premium

This represents the amount above the nominal value of shares that have been issued by the company.

Foreign exchange reserve

This reserve comprises translation difference arising on the translation of financial statements of the group's foreign entities into sterling,

Other reserves

This reserve comprises the share option scheme setup by the directors for employees.

Profit & loss account

This reserve comprises all current and prior period retained profits and losses after deducting any distributions made to the company's shareholders.

Share Capital

This represents the nominal value of shares that have been issued by the company.

24. Prior year adjustment

An adjustment has been made in relation to client deposits totalling £15,281k. Previously these amounts have been included with 'Cash and cash equivalents' and the corresponding liability within 'Creditors: Amounts falling due within one year'. These amounts are to be derecognised from the financial statements. The adjustment was deemed necessary reflect that the amounts held in these accounts are not under the control of the group therefore it is not considered appropriate to include them within the financial statements. There is no effect on the Consolidation statement of comprehensive income in respect of this adjustment, nor is there any effect on the net assets of the group.

25. Pension commitments

The group operates a defined contribution 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 £72k (2014: £49k). At the balance sheet date £13k (2014: £4k) remained unpaid and its included in other creditors.

26. Commitments under operating leases

At 31 December 2015 the Group and the Company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2015 £000	Group 2014 £000
Not later than 1 year	110	110
Later than 1 year and not later than 5 years	179	289
Total	289	399

The Currency Cloud Group Limited

Notes to the financial statements For the Year Ended 31 December 2015

27. Related party transactions

During the period the group paid travel expenses of £Nil (2014: £2,764) on behalf of N Verdon, a director of the group. At the balance sheet date a balance of £Nil (2014: £7,889) was due from N Verdon, which is included in other debtors.

28. Post balance sheet events

On 15 August 2016, the company agreed to sell its 60% stake in The Currency Cloud Malta Limited. Post completion the company will calculate the profit on disposal of the investment and account for this in 2016 financial statements.

29. 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.

The Currency Cloud Group Limited

**Notes to the financial statements
For the Year Ended 31 December 2015**

30. First time adoption of FRS 102

Group

	As previously stated 1 January 2014 £000	Effect of transition 1 January 2014 £000	FRS 102 (as restated) 1 January 2014 £000	As previously stated 31 December 2014 £000	Effect of transition 31 December 2014 £000	FRS 102 (as restated) 31 December 2014 £000
Note						
Fixed assets	190	-	190	192	-	192
Current assets	14,596	-	14,596	18,846	(15,278)	3,568
Creditors: amounts falling due within one year	(9,260)	(4)	(9,264)	(17,250)	15,264	(1,986)
Net current assets	5,336	(4)	5,332	1,596	(14)	1,582
Total assets less current liabilities	5,526	(4)	5,522	1,788	(14)	1,774
Creditors: amounts falling due after more than one year	-	-	-	(583)	-	(583)
Net assets	5,526	(4)	5,522	1,205	(14)	1,191
Capital and reserves	5,526	(4)	5,522	1,205	(14)	1,191

The Currency Cloud Group Limited

**Notes to the financial statements
For the Year Ended 31 December 2015**

30. First time adoption of FRS 102 (continued)

	As previously stated 31 December 2014 £000	Effect of transition 31 December 2014 £000	FRS 102 (as restated) 31 December 2014 £000
Note			
Turnover	3,482,634	-	3,482,634
Cost of sales	(3,480,757)	-	(3,480,757)
	<hr/>	<hr/>	<hr/>
	1,877	-	1,877
Administrative expenses	(6,735)	(14)	(6,749)
	<hr/>	<hr/>	<hr/>
Operating profit	(4,858)	(14)	(4,872)
Interest receivable and similar income	5	-	5
Interest payable and similar charges	(48)	-	(48)
Taxation	300	-	300
	<hr/>	<hr/>	<hr/>
Loss on ordinary activities after taxation and for the financial year	(4,601)	(14)	(4,615)
	<hr/>	<hr/>	<hr/>

Explanation of changes to previously reported profit and equity:

1 FRS 102 requires short term employee benefits to be charged to the profit and loss account as the employee service is received. This has resulted in the company recognising a liability of £3,092 on transition to FRS 102. Previously holiday pay accruals were not recognised and were charged to the profit and loss account as they were paid. In the year to 31 December 2014 a charge of £13,131 was recognised in the profit and loss account and the liability at 31 December 2014 was £16,223.

The Currency Cloud Group Limited

Notes to the financial statements
For the Year Ended 31 December 2015

30. First time adoption of FRS 102 (continued)

Company

	As previously stated 1 January 2014 £000	Effect of transition 1 January 2014 £000	FRS 102 (as restated) 1 January 2014 £000	As previously stated 31 December 2014 £000	Effect of transition 31 December 2014 £000	FRS 102 (as restated) 31 December 2014 £000
Note						
Fixed assets	857	-	857	859	-	859
Current assets	9,092	-	9,092	9,556	1	9,557
Creditors: amounts falling due within one year	(12)	-	(12)	(687)	(1)	(688)
Net current assets	9,080	-	9,080	8,869	-	8,869
Total assets less current liabilities	9,937	-	9,937	9,728	-	9,728
Creditors: amounts falling due after more than one year	-	-	-	(583)	-	(583)
Net assets	9,937	-	9,937	9,145	-	9,145
Capital and reserves	9,937	-	9,937	(9,145)	-	(9,145)

The Currency Cloud Group Limited

**Notes to the financial statements
For the Year Ended 31 December 2015**

30. First time adoption of FRS 102 (continued)

	As previously stated 31 December 2014 £000	Effect of transition 31 December 2014 £000	FRS 102 (as restated) 31 December 2014 £000
Turnover	3	-	3
Administrative expenses	3 (790)	-	3 (790)
Operating profit	(787)	-	(787)
Interest receivable and similar income	4	-	4
Interest payable and similar charges	(45)	-	(45)
Loss on ordinary activities after taxation and for the financial year	(828)	-	(828)

Explanation of changes to previously reported profit and equity:

- 1 No FRS 102 transition adjustment.