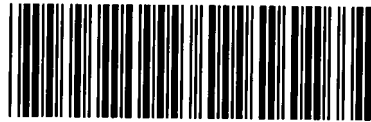


REGISTERED NUMBER: 04327758 (England and Wales)

Strategic Report, Report of the Directors and
Financial Statements for the Year Ended 31 December 2017
for
FLEXTRADE UK LIMITED

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FOR THE YEAR ENDED 31 DECEMBER 2017

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FLEXTRADE UK LIMITED

Company Information
FOR THE YEAR ENDED 31 DECEMBER 2017

DIRECTORS:	Mr Vijay Kedia Mr Vikas Kedia
REGISTERED OFFICE:	501 Great West Road Hounslow London TW5 0BS
REGISTERED NUMBER:	04327758 (England and Wales)
SENIOR STATUTORY AUDITOR:	Mukesh Desai
AUDITORS:	Butler & Co LLP Chartered Accountants & Statutory Auditor Third Floor 126-134 Baker Street London W1U 6UE

Strategic Report
FOR THE YEAR ENDED 31 DECEMBER 2017

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

REVIEW OF BUSINESS

Flextrade UK Limited undertakes software development and business development work for its US parent company.

During the year the sales of the company increased by 17.1%.

The group's principal activity is to provide marketing and technological support in relation to broker trading platforms. This is achieved by IT support functions for the platform and marketing identification of suitable brokers.

PRINCIPAL RISKS AND UNCERTAINTIES

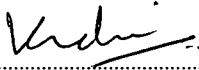
The major factor affecting the business is the economic climate in the US and Europe and development of suitable products.

Management response to business risks is to develop new customers, strategies and markets.

Compliance risks are dealt with by suitably qualified personnel engaged by the company.

The company has a strong internal control environment. The company has sufficient segregation of duties to mitigate any risk of fraud or error.

ON BEHALF OF THE BOARD:



.....
Mr Vikas Kedia - Director

Date: 5/7/2018

Report of the Directors
FOR THE YEAR ENDED 31 DECEMBER 2017

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

DIVIDENDS

An interim dividend of £500,000 per share was paid on 16 May 2017. The directors recommend that no final dividend be paid.

The total distribution of dividends for the year ended 31 December 2017 was £1,000,000.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2017 to the date of this report.

Mr Vijay Kedia
Mr Vikas Kedia

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Strategic Report, the Report of the Directors 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 of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

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

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Butler & Co LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



.....
Mr Vikas Kedia - Director

Date: 5/7/2018

Report of the Independent Auditors to the Members of
Flextrade UK Limited

Opinion

We have audited the financial statements of Flextrade UK Limited (the 'company') for the year ended 31 December 2017 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

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 a Report of the Auditors 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.

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Directors.

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

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

Report of the Independent Auditors to the Members of
Flextrade UK Limited

Responsibilities of directors

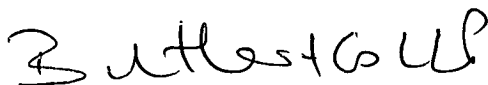
As explained more fully in the Directors' Responsibilities Statement set out on page three, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to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

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

Our responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.



Mukesh Desai (Senior Statutory Auditor)
for and on behalf of Butler & Co LLP
Chartered Accountants
& Statutory Auditor
Third Floor
126-134 Baker Street
London
W1U 6UE

Date: 05/07/10

Statement of Comprehensive Income
FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	2017 £	2016 £
TURNOVER		13,099,774	11,185,947
Administrative expenses		12,242,782	10,454,159
OPERATING PROFIT and PROFIT BEFORE TAXATION		856,992	731,788
Tax on profit	5	182,695	113,902
PROFIT FOR THE FINANCIAL YEAR		674,297	617,886

The notes form part of these financial statements

Balance Sheet
31 DECEMBER 2017

	Notes	2017 £	2016 £
FIXED ASSETS			
Tangible assets	7	258,243	216,239
CURRENT ASSETS			
Debtors	8	1,251,211	2,114,914
Cash at bank and in hand		1,011,295	571,880
		<u>2,262,506</u>	<u>2,686,794</u>
CREDITORS			
Amounts falling due within one year	9	<u>1,177,779</u>	<u>1,234,360</u>
NET CURRENT ASSETS		<u>1,084,727</u>	<u>1,452,434</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,342,970</u>	<u>1,668,673</u>
CAPITAL AND RESERVES			
Called up share capital	12	2	2
Retained earnings	13	<u>1,342,968</u>	<u>1,668,671</u>
SHAREHOLDERS' FUNDS		<u>1,342,970</u>	<u>1,668,673</u>

The financial statements were authorised for issue by the Board of Directors on 5/7/2018 and were signed on its behalf by:



.....
Mr Vikas Kedia - Director

The notes form part of these financial statements

Statement of Changes in Equity
FOR THE YEAR ENDED 31 DECEMBER 2017

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 January 2016	2	3,050,785	3,050,787
Changes in equity			
Dividends	-	(2,000,000)	(2,000,000)
Total comprehensive income	-	617,886	617,886
Balance at 31 December 2016	2	1,668,671	1,668,673
Changes in equity			
Dividends	-	(1,000,000)	(1,000,000)
Total comprehensive income	-	674,297	674,297
Balance at 31 December 2017	2	1,342,968	1,342,970

The notes form part of these financial statements

Cash Flow Statement
FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	2017 £	2016 £
Cash flows from operating activities			
Cash generated from operations	1	2,093,068	2,895,511
Tax paid		(269,848)	(155,000)
Net cash from operating activities		<u>1,823,220</u>	<u>2,740,511</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		<u>(383,805)</u>	<u>(494,153)</u>
Net cash from investing activities		<u>(383,805)</u>	<u>(494,153)</u>
Cash flows from financing activities			
Equity dividends paid		<u>(1,000,000)</u>	<u>(2,000,000)</u>
Net cash from financing activities		<u>(1,000,000)</u>	<u>(2,000,000)</u>
Increase in cash and cash equivalents		<u>439,415</u>	<u>246,358</u>
Cash and cash equivalents at beginning of year	2	<u>571,880</u>	<u>325,522</u>
Cash and cash equivalents at end of year	2	<u><u>1,011,295</u></u>	<u><u>571,880</u></u>

The notes form part of these financial statements

Notes to the Cash Flow Statement
FOR THE YEAR ENDED 31 DECEMBER 2017

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2017	2016
	£	£
Profit before taxation	856,992	731,788
Depreciation charges	341,800	576,555
	<u>1,198,792</u>	<u>1,308,343</u>
Decrease in trade and other debtors	884,323	1,156,458
Increase in trade and other creditors	9,953	430,710
	<u>2,093,068</u>	<u>2,895,511</u>
Cash generated from operations	<u><u>2,093,068</u></u>	<u><u>2,895,511</u></u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 December 2017

	31/12/17	1/1/17
	£	£
Cash and cash equivalents	<u>1,011,295</u>	<u>571,880</u>

Year ended 31 December 2016

	31/12/16	1/1/16
	£	£
Cash and cash equivalents	<u>571,880</u>	<u>325,522</u>

The notes form part of these financial statements

Notes to the Financial Statements
FOR THE YEAR ENDED 31 DECEMBER 2017

1. STATUTORY INFORMATION

Flextrade UK Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Turnover is derived from ordinary activities and measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery	- 25% on cost
Motor vehicles	- 25% on cost

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Pension costs

The company contributes to employees' money purchase personal pension schemes. Contribution payable to the schemes are charged to the profit and loss account in the period to which they relate.

3. EMPLOYEES AND DIRECTORS

	2017 £	2016 £
Wages and salaries	8,130,940	6,588,926
Social security costs	952,161	766,483
Other pension costs	188,710	220,250
	<u>9,271,811</u>	<u>7,575,659</u>

**Notes to the Financial Statements - continued
FOR THE YEAR ENDED 31 DECEMBER 2017****3. EMPLOYEES AND DIRECTORS - continued**

The average number of employees during the year was as follows:

	2017	2016
Management	2	2
Other Employees	108	90
	<u>110</u>	<u>92</u>

	2017 £	2016 £
Directors' remuneration	178,333	125,000
Directors' excess retirement benefits	<u>6,917</u>	<u>6,250</u>

The number of directors to whom retirement benefits were accruing was as follows:

	2017	2016
Money purchase schemes	<u>1</u>	<u>1</u>

4. OPERATING PROFIT

The operating profit is stated after charging:

	2017 £	2016 £
Depreciation - owned assets	341,801	576,556
Auditors' remuneration	<u>6,000</u>	<u>6,000</u>

5. TAXATION**Analysis of the tax charge**

The tax charge on the profit for the year was as follows:

	2017 £	2016 £
Current tax:		
UK corporation tax	184,605	164,828
Deferred tax	<u>(1,910)</u>	<u>(50,926)</u>
Tax on profit	<u>182,695</u>	<u>113,902</u>

Notes to the Financial Statements - continued
FOR THE YEAR ENDED 31 DECEMBER 2017

5. TAXATION - continued

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2017 £	2016 £
Profit before tax	856,992	731,788
Profit multiplied by the standard rate of corporation tax in the UK of 19.246% (2016 - 20%)	164,937	146,358
Effects of:		
Expenses not deductible for tax purposes	12,568	27,346
Depreciation in excess of capital allowances tax rate	17,792	51,124
Deferred tax	(1,910)	(50,926)
Release of overprovision of CT	-	(60,000)
Other	(10,692)	-
Total tax charge	182,695	113,902

6. DIVIDENDS

	2017 £	2016 £
Ordinary Shares shares of £1 each		
Interim	1,000,000	2,000,000

7. TANGIBLE FIXED ASSETS

	Plant and machinery £	Motor vehicles £	Totals £
COST			
At 1 January 2017	2,236,193	70,029	2,306,222
Additions	383,805	-	383,805
At 31 December 2017	2,619,998	70,029	2,690,027
DEPRECIATION			
At 1 January 2017	2,054,968	35,015	2,089,983
Charge for year	324,294	17,507	341,801
At 31 December 2017	2,379,262	52,522	2,431,784
NET BOOK VALUE			
At 31 December 2017	240,736	17,507	258,243
At 31 December 2016	181,225	35,014	216,239

8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017 £	2016 £
Amounts owed by group undertakings	1,001,994	1,871,682
Other debtors	27,124	24,365
VAT	57,811	115,082
Deferred tax asset	68,848	66,939
Prepayments	95,434	36,846
	1,251,211	2,114,914

Notes to the Financial Statements - continued
FOR THE YEAR ENDED 31 DECEMBER 2017

8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR - continued

Deferred tax asset	2017	2016
	£	£
Accelerated capital allowances	-	113,503
Other timing differences	68,848	(46,564)
	<u>68,848</u>	<u>66,939</u>

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017	2016
	£	£
Tax	63,916	149,159
Social security and other taxes	262,345	225,147
Accrued expenses	851,518	860,054
	<u>1,177,779</u>	<u>1,234,360</u>

10. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2017	2016
	£	£
Within one year	766,169	766,169
Between one and five years	3,064,677	3,064,677
In more than five years	3,000,830	3,766,999
	<u>6,831,676</u>	<u>7,597,845</u>

The above annual operating lease commitment is subject to benefit of 21 months rent-free period commencing 30 November 2016.

11. DEFERRED TAX

	£
Balance at 1 January 2017	(66,939)
Other timing differences	(1,909)
Balance at 31 December 2017	<u>(68,848)</u>

12. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:					
Number:	Class:	Nominal value:	2017	2016	
			£	£	
2	Ordinary Shares	£1	<u>2</u>	<u>2</u>	

FLEXTRADE UK LIMITED (REGISTERED NUMBER: 04327758)

Notes to the Financial Statements - continued
FOR THE YEAR ENDED 31 DECEMBER 2017

13. RESERVES

	Retained earnings £
At 1 January 2017	1,668,671
Profit for the year	674,297
Dividends	(1,000,000)
	<hr/>
At 31 December 2017	<u>1,342,968</u>

14. RELATED PARTY DISCLOSURES

The company derives all its income from Flextrade Systems Inc its parent company. The sales amount attributable to Flextrade Inc. during the year is £13,099,774 (2016: £11,185,947)

The amount owed by Flextrade Systems Inc. as at 31 December 2017 is £1,001,994 (2016 : £1,871,682).

15. ULTIMATE CONTROLLING PARTY

The company is a 100% subsidiary of Flextrade Systems Inc. a company incorporated in the USA.