Company Registration No. 07909192 (England and Wales)

AQUIS EXCHANGE LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

AQUIS EXCHANGE LIMITED

COMPANY INFORMATION

Directors	N Beattie	
	R Bennett	
	J Clelland	
	A Haynes	
	I Olszewska	
	M Spanbroek	
	J Grzywiński	(Appointed 5 May 2017)
	M Goodliffe	(Appointed 21 March 2018)
Company number	07909192	
Registered office	Palladium House 1-4 Argyll Street London W1F 7LD	
Auditor	Hazlems Fenton LLP Chartered Accountants Palladium House 1-4 Argyll Street London W1F 7LD	
Business address	3rd Floor 77 Cornhill London EC3V 3QQ	

AQUIS EXCHANGE LIMITED

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AQUIS EXCHANGE LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2017

The directors present the strategic report and financial statements for the year ended 31 December 2017.

The financial statements for the company are presented under International Financial Reporting Standards (IFRSs) as adopted for use by the European Union.

Overview of the Business

Aquis' vision is to be the leading technology driven exchange services group, and its mission is to improve the efficiency of the investment industry through transparency and innovation.

With these guiding principles, the company's main focus is 1) to capitalise on regulatory and technical shifts in market infrastructure by providing an exchange which offers deeper liquidity and transparent, higher quality execution for intermediaries and investors, 2) to continue to increase the number of members and associated trading volumes by providing a robust and innovative platform that responds to their needs, and 3) to license its proven technology platform to third parties that require trading or market surveillance technology.

Aquis currently offers execution in 1,200 stocks across 14 European markets.

Review of the Business in 2017

The company continued to grow the principal business activities during the year and this is expected to continue.

Market share, numbers of members and revenue continued to grow during the year. The significant available liquidity – approximately 17% of overall pan-European equity liquidity – was maintained and should underpin the future anticipated member and market share growth. The available liquidity provides the company with a strong base to attract a wider membership from across Europe and to facilitate increased trading volumes.

During the year, political events caused occasional high market volatility, which the high performance technology system managed without incidence. Further enhancements have been made to the core technology during the year - this has not only been important to the continuing success of Aquis' daily exchange activities but also means Aquis is well placed to offer state of the art exchange technology solutions and market surveillance capabilities to other market participants. International interest in the company's ability to provide outsourced technology solutions for other market participants has increased materially during the year and additional resource has been recruited to support this.

A key factor that contributed to the development of the business activities was the strength, experience and commitment of our staff. Staff attrition remains very low.

The loss for the year has decreased to £3,044,594 compared to £3,632,848 in the previous year; this is mainly attributable to increased exchange revenue as members' subscriptions have increased as a result of increased trading levels, new revenue from technology licensing and the ability of the company to maintain tight control over its costs. The result of the year and the financial position at year-end were considered to be satisfactory by the directors.

In order to carry out its exchange activities, the company has a regulatory licence from the Financial Conduct Authority, (FCA).

Principal risks and uncertainties

The principal risks to the business are 1) the company being unable to attract sufficient clients, or client trading levels being lower than anticipated, resulting in a failure to build sufficient profitability and 2) the company being unable to identify clients who are interested in the licensing of its software or failing in the implementation of such technology projects.

A successful exchange requires significant available liquidity, a broad membership base offering a diverse transaction flow and opportunities to trade large volumes so that orders can be executed effectively. If trading volumes do not continue to grow it will be difficult to retain existing members and attract new members. In addition, the success of the business may be impacted by changes to current equity trading patterns or unanticipated regulatory change.

The licensing activities are dependent on the reputation and quality of the Aquis technology, and on Aquis personnel being able to adapt and support the technology to meet the needs of other market participants as well as other asset classes.

As a small organisation, the company relies on a core team of staff and is also, therefore, exposed to any significant departures of key personnel. There is succession planning in place.

The impact of Brexit remains unclear until negotiations between the UK and EU reach agreement. Aquis has a plan in place which is subject to the final terms of the BREXIT negotiations being known, and it should be able to carry on operations in Europe in the event that the authorities are unable to reach a compromise agreement that allows UK financial institutions to continue activities in the EU market.

Development and performance

The company is required to meet minimum capital requirements to support its activities as set out by the FCA and comfortably exceeded these targets throughout the year to 31 December 2017.

The company continues to invest in research and development. Technology developments introduced in 2017 included enhancements to the core matching engine and introduction of new order types. Significant available liquidity is required to grow the market volumes and the company has commitment from some of the largest global liquidity providers as members of the exchange. Market volumes, which are closely correlated with Aquis exchange turnover, increased approximately 60% during 2017 and this growth is anticipated to continue during 2018.

Third party analysis shows that the Aquis exchange is consistently offering deeper liquidity than many other competing platforms. The potential for new customers continues to increase as the trading opportunities on the exchange become more widely recognised as does the opportunity for increased trading volumes. As firms focus on best execution under new regulations in 2018 Aquis' market share should grow closer to the percentage of available liquidity.

The technology platform has proven capable of processing volumes in excess of the volumes of a number of National European exchanges with no disruptions to trading and the market surveillance capabilities of the technology are being reviewed by an increasing number of market participants looking for outsourced solutions.

Licensing activities continue to grow in particular as regulatory changes generate new requirements for investment banks, brokers and trading companies. In addition the continued growth in the company's exchange activities helps promote the quality of the technology and assists in generating technology licensing opportunities.

Key performance indicators

The key performance targets for the company are (i) the number of clients who join as members of the exchange, (ii) the liquidity available to the clients, (iii) the trading volumes of the clients (iv) the number of clients entering into licence arrangements for the company's trading and market surveillance software (v) business sustainability and (vi) employee engagement.

The company has met or exceeded the KPIs for (ii) liquidity, (iv) licensing, (v) business sustainability and (vi) employee engagement. The company will target to maintain this performance and improve against the other KPIs.

On behalf of the board

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J Clelland
Director
18/5/18

AQUIS EXCHANGE LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2017

The directors present their annual report and financial statements for the year ended 31 December 2017.

Principal activities
The principal activities of the company are to operate an equities exchange enabling members to trade across fourteen European markets and to license exchange and market surveillance software

The company is authorised and regulated by the Financial Conduct Authority (FCA).

Results and dividends
The results for the year are set out on page 12.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Directors
The directors who held office during the year and up to the date of signature of the financial statements were as follows:

N Beattie	
R Bennett	
J Clelland	
A Filip	(Resigned 20 April 2017)
A Haynes	
D McCann	(Resigned 14 May 2018)
S Melnick	(Resigned 11 May 2018)
I Olszewska	
M Spanbroek	
J Grzywiński	(Appointed 5 May 2017)
M Goodliffe	(Appointed 21 March 2018)

At 31st December 2017, two Directors, including the Non-Executive Chair, were female.

Financial instruments

Financial risk management
The company's financial instruments comprise cash and liquid resources, and various items such as trade receivables and trade payables that arise directly from its operations. The main financial risks arising from these financial instruments are credit, liquidity, foreign currency and interest rate risk. The company has put in place measures in order to manage these financial risks. The financial risks arising from these financial instruments are considered low because of the nature of the company's structure, its culture and its oversight by the FCA. The company proactively manages all aspects of its work in order to either remove or reduce any financial risks. The company does not use any financial derivatives.

Liquidity risk

Liquidity risk is the risk that the company will encounter difficulty in raising funds to meet commitments associated with its financial instruments. Liquidity risk may also result from an inability to sell a financial asset quickly at its fair value. The objective of liquidity management is to ensure that the company has sufficient funds to meet its contractual, regulatory and financial obligations. To manage liquidity risk, the company monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the company's operation.

The table below summarises the maturity profile of the company's financial liabilities at the reporting date based on contractual undiscounted payments.

Trade and other payables		**2017**		**2016**
		£		**£**
Trade payables		26,926		36,658
Accrued expenses		248,463		125,269
Other payables		522		21,192
		275,911		183,119
One year or less		275,911		183,119

The company has sufficient cover with an amount of £3,985,541 held in cash and cash equivalents to meet the financial liabilities falling due within one year of the reporting date.

Interest rate risk

The company has no significant interest-sensitive assets and liabilities. Cash and cash equivalents earn interest at rates based on the banks' deposit rates.

Foreign currency risk

The company has no significant assets and liabilities which are sensitive to currency fluctuations.

Credit risk

Credit risk arises mainly from trade receivables. The company aims to trade with recognised and creditworthy clients. The company has a stringent due diligence process for all new and existing clients. Ongoing credit evaluation is performed on the financial condition of clients and the company follows up any overdue balances.

The credit risk on the company's bank balances is limited as the counterparties are banks with good reputations.

The risk arising from the possible non advance of credit by the company's trade payables either by exceeding the credit limit or not paying within the specified terms, is managed by prompt payment and regularly monitoring the trade balance and credit limit terms for all suppliers.

Post reporting date events

In the directors' opinion, there were no events after the reporting period that require disclosure.

Future developments
The company anticipates continuing to grow its client base, trading volumes and market liquidity. The business is focused on providing innovative solutions to its clients and anticipates that this will increase client numbers, enhance market volumes, and attract customers to license its technology. The company has devoted and will continue to devote significant resources to research and development to support these targets.

Auditor
The auditor, Hazlems Fenton LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of disclosure to auditor
Each director in office at the date of approval of this annual report confirms that:

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

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

Pillar 3 risk assessment
The European Capital Requirements Directive introduced consistent capital adequacy standards and an associated supervisory framework in the EU based on the Basel II rules. The Directive was introduced into the UK by the Financial Conduct Authority ("FCA") and applies to Exchanges / Multi-lateral trading facilities licensed by the FCA. The framework consists of three 'pillars'.

- Pillar 1 - This specifies the minimum capital requirements.

- Pillar 2 - This supervisory review process requires an assessment to be made of whether additional capital should be held against risks not covered by Pillar 1.

- Pillar 3 - This introduces public disclosure of qualitative and quantitative information and is designed to promote market discipline by providing market participants with key information on a firm's risk exposures and risk management processes.

The company is currently making a loss and the risk management process is focused on managing ongoing commitments whilst seeking to grow sustainable revenues so that the business can reach a break-even point.

The principal risks and uncertainties of the business relate to its ability to attract new clients and to retain its existing clients. Given the small size of the firm it is significantly exposed to departures of key personnel. As this risk is unavoidable the company maintains sufficient capital to ensure that if key personnel depart that replacements can be recruited to ensure clients can continue to be supported.

The company has capital resources of £5,065,300 as at 31 December 2017 all of which is tier one capital. The base capital requirement for the firm is €730,000 (£626,556), and the internal assessment of its risk capital requirement is £1,553,000 which represents the firm's estimate of the capital required in accordance with FCA guidelines.

The company has minimal exposure to market, credit or liquidity risk. The company has just £282,492 of illiquid assets. All cash is held in instant access accounts and money market deposits.

Remuneration Policy Statement

Purpose

Aquis Exchange Limited's ("Aquis") remuneration policy is to attract, retain and reward the people needed to deliver its strategy whilst promoting sound and effective risk management that is proportional to the size and maturity of the firm.

Decision making

The Board had previously concluded that on the basis of Aquis' small size, simple legal structure, and the nature of its business activities that it did not need to appoint a remuneration committee. Instead, the Board have been responsible for determining and approving individual remuneration packages including any bonus payments for Senior Management and all employees, including all Code staff. No external consultants have been engaged on remuneration matters. However at the end of 2017, the Board decided that the firm has reached sufficient maturity to create a combined Remuneration and Nominations Committee commencing in 2018 and in the future this committee will oversee Board appointments, senior manager recruitment and remuneration policy.

The Board approves all fixed remuneration for individual management staff and the overall salary budget for the firm. At the beginning of the year, it set a budget for incentive payments. These were subject to a combination of agreed financial and non-financial targets. At the end of the year, the Board assessed the firm's progress against these targets and adjusted the budget accordingly.

Role of the relevant stakeholders

The Board takes full account of the company's strategic objectives in setting the remuneration policy and is mindful of its duties to its shareholders. The Board seeks to preserve shareholder value by ensuring the successful recruitment, retention and motivation of its Directors and employees.

Code staff criteria

The following groups of employees have been identified as meeting the FCA Code Staff criteria:

1) Senior managers which include all Executive Directors on the basis that they are responsible for the management of the risks of the business; and

2) Selected roles which are deemed to have significant influence on the risk profile of Aquis and which include individuals who are FCA registered.

The list of Code staff does not include non-executive Directors because they carry out an oversight role and do not carry out the day-to-day management of the business and therefore have a limited or no impact on the risk profile of Aquis.

The link between pay and performance of Code Staff

Remuneration consists of fixed pay (salary) and performance related variable pay. A basic salary is set within an appropriate market range, which is at a sufficient level to allow for the possibility, that variable pay may not be awarded. Variable pay awards are based on fees actually received by Aquis and therefore there are no circumstances which would require the variable pay to be subject to clawback provisions. Aquis does not offer any deferred remuneration or severance payments to any of its employees. An annual bonus was paid out to selected Code staff in 2017.

Aggregate quantitative information on remuneration

With respect to the Aquis total staff costs and the aggregate directors' remuneration, please refer to the notes to the financial statements (Note 8 and 9).

On behalf of the board

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J Clelland

Director

Date: 18/5/18

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2017

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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;
- state whether applicable IFRSs as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business;
- prepare the Country-by-Country Information in accordance with the Capital Requirements (Country-by-Country Reporting) Regulations 2013.

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.

AQUIS EXCHANGE LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF AQUIS EXCHANGE LIMITED

Opinion

We have audited the financial statements of Aquis Exchange Limited (the 'company') for the year ended 31 December 2017 which comprise the Income Statement, the Statement Of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and the 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 International Financial Reporting Standards (IFRSs) as adopted by the European Union.

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 loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

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

Opinions on other matters prescribed by the Companies Act 2006

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

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

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF AQUIS EXCHANGE LIMITED

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 and the Directors' Report.

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.

Responsibilities of directors

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the 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.

Auditor's responsibilities for the audit of the financial statements

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

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

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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Russell Tenzer FCA (Senior Statutory Auditor)
for and on behalf of Hazlems Fenton LLP

18/5/18

Chartered Accountants
Statutory Auditor

Chartered Accountants
Palladium House
1-4 Argyll Street
London
W1F 7LD

AQUIS EXCHANGE LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	2017 £	2016 £
Revenue	**5**	2,014,590	1,221,444
Cost of sales		(4,075,487)	(3,771,401)
Gross loss		(2,060,897)	(2,549,957)
Administrative expenses		(1,215,873)	(1,358,265)
Operating loss	**7**	(3,276,770)	(3,908,222)
Investment revenues	**10**	9,961	10,628
Loss before taxation		(3,266,809)	(3,897,594)
Income tax income	**11**	222,215	264,746
Loss and total comprehensive income for the year	**19**	(3,044,594)	(3,632,848)

The income statement has been prepared on the basis that all operations are continuing operations.

There was no other comprehensive income or deficit in the year or the preceding financial year.

AQUIS EXCHANGE LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2017

	Notes	2017 £	2016 £
Non-current assets			
Property, plant and equipment	12	282,492	65,458
Other receivables	13	276,534	-
		559,026	65,458
Current assets			
Trade and other receivables	13	574,429	507,697
Current tax recoverable		222,215	-
Cash and cash equivalents		3,985,541	7,719,858
		4,782,185	8,227,555
Total assets		5,341,211	8,293,013
Current liabilities			
Trade and other payables	15	275,911	183,119
Net current assets		4,506,274	8,044,436
Total liabilities		275,911	183,119
Net assets		5,065,300	8,109,894
Equity			
Called up share capital	17	17	17
Share premium account	18	23,517,321	23,517,321
Retained earnings	19	(18,452,038)	(15,407,444)
Total equity		5,065,300	8,109,894

The financial statements were approved by the board of directors and authorised for issue on 18/5/18 and are signed on its behalf by:

J Clelland
Director

A Haynes
Director

Company Registration No. 07909192

AQUIS EXCHANGE LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	Share capital £	Share premium account £	Retained earnings £	Total £
Balance at 1 January 2016		12	15,517,317	(11,774,596)	3,742,733
Year ended 31 December 2016:					
Loss and total comprehensive income for the year		-	-	(3,632,848)	(3,632,848)
Issue of share capital	**17**	5	8,000,004	-	8,000,009
Balance at 31 December 2016		17	23,517,321	(15,407,444)	8,109,894
Year ended 31 December 2017:					
Loss and total comprehensive income for the year		-	-	(3,044,594)	(3,044,594)
Balance at 31 December 2017		17	23,517,321	(18,452,038)	5,065,300

AQUIS EXCHANGE LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	2017 £	2017 £	2016 £	2016 £
Cash flows from operating activities					
Cash absorbed by operations	**25**		(3,443,538)		(3,843,960)
Tax (paid)/refunded			-		620,827
Net cash outflow from operating activities			(3,443,538)		(3,223,133)
Investing activities					
Purchase of property, plant and equipment		(300,740)		(25,164)	
Interest received		9,961		10,628	
Net cash used in investing activities			(290,779)		(14,536)
Financing activities					
Proceeds from issue of shares		-		8,000,009	
Net cash (used in)/generated from financing activities			-		8,000,009
Net (decrease)/increase in cash and cash equivalents			(3,734,317)		4,762,340
Cash and cash equivalents at beginning of year			7,719,858		2,957,518
Cash and cash equivalents at end of year			3,985,541		7,719,858

1 Accounting policies

Company information

The company is a private limited company which is incorporated and domiciled in England and Wales. Its registered office is located at Palladium House, 1-4 Argyll Street, London, W1F 7LD

1.1 Accounting convention

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) as adopted for use in the European Union and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of financial assets and financial liabilities at fair value through profit and loss account.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Whilst the company has made a loss in the year, there are substantial cash reserves, and a positive balance sheet, due to high levels of investment within the company.

Additionally, the directors are confident that the company will begin to generate profits in the coming years. There has been a growth in revenue of 65% between the current year and comparative year. Additional revenue growth is projected for 2018, with profits forecast for future years.

1.3 Revenue

Turnover represents amounts receivable for subscription fees and fees receivable for the licensing of software net of value added tax.

<u>Rendering of services of subscriptions and licensing</u>

Revenue for services (for both subscription and licensing) is recognised in the accounting year in which the services are rendered, by reference to the ongoing contractual obligation to provide subscription based services.

1 Accounting policies **(Continued)**

1.4 Intangible assets other than goodwill

Internally developed intangible assets are recognised in the financial statements when all of the following criteria are met:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale is established
- there is an intention to complete the intangible asset and use or sell it
- the Company has the ability to use or sell the intangible asset
- the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset can be demonstrated
- adequate technical, financial and other resources are available to complete the development and to use or sell the intangible asset
- the Company has the ability to measure reliably the expenditure attributable to the intangible asset during its development.

Where the above criteria are not met, costs incurred in research and development are recognised in the Statement of Comprehensive Income as incurred.

Intangible assets have not been recognised in the financial statements as the Company has not been able to reliably measure the expenditure attributable to the intangible asset during its development.

1.5 Property, plant and equipment

All property, plant and equipment is stated at historical cost less depreciation or impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent expenditure is included in the asset's carrying amount or is recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to the income statement during the financial period in which they are incurred.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following basis:

Fixtures, fittings and equipment	5 years straight line
Computer equipment	3 years straight line

1.6 Impairment of tangible and intangible assets

At each reporting end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

1 Accounting policies **(Continued)**

1.7 Fair value measurement
The carrying amounts of financial assets and liabilities with a maturity of less than one year (including trade and other receivables, cash and cash equivalents, trade and other payables) are assumed to approximate their fair values because of the short period to maturity.

1.8 Cash and cash equivalents
Cash and cash equivalents include cash in hand and cash at bank.

1.9 Financial assets
Financial assets are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets are classified into specified categories. The classification depends on the nature and purpose of the financial assets and is determined at the time of recognition.

Financial assets are initially measured at fair value plus transaction costs.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets. The company's loans and receivables comprise 'trade and other receivables', and 'cash and cash equivalents' in the statement of financial position.

Trade and other receivables

Trade receivables are amounts due from customers for services performed in the ordinary course of business. Other receivables are defined as amounts due that are outside the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Impairment of financial assets
Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

Derecognition of financial assets
Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

1.10 Financial liabilities
Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

1 Accounting policies **(Continued)**

Other financial liabilities
The company does not have any financial liabilities “at fair value through profit or loss”.

The company has the following as non-derivative financial liabilities; ‘trade and other payables’ and ‘accrued expenses’.

Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade and other payables are not interest bearing and are initially recognised at fair value.

Accrued expenses

Accrued expenses are recognised at fair value, and are recognised in the accounting period in which those transactions, events, or circumstances occur

Derecognition of financial liabilities
Financial liabilities are derecognised when, and only when, the company's obligations are discharged, cancelled, or upon expiry.

1.11 Equity instruments
Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown as an expense within the profit and loss account.

1.12 Taxation
The tax expense/(credit) represents the sum of the tax currently payable/(repayable) and deferred tax.

Current tax
The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the country where the company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax
Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future measurable taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

1 Accounting policies **(Continued)**

1.13 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of inventories or non-current assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.14 Retirement benefits

Pension obligations

The company has defined contribution plans. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. The company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The company has no further payment obligations once the contributions have been paid. The contributions are recognised as an employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

1.15 Leases

Leases are accounted for in accordance with IAS 17 and IFRIC 4. The company currently only has operating leases which are accounted for as follows:

Operating leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments, including prepayments, made under operating leases (net of any incentives received from the lessor) are charged to the statement of comprehensive income in equal amounts over the period of the lease.

1.16 Foreign exchange

Functional and presentation currency

Items included in the financial statements of the company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in UK Pound Sterling (£), which is the company's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

All foreign exchange gains and losses recognised in the income statement are presented net within 'administrative expenses'.

1.17 Research and development

Expenditure on research and development is charged to the income statement in the year in which it is incurred. This represents wages costs of various personnel involved in developing the exchange platform and surveillance system.

2 Adoption of new and revised standards and changes in accounting policies

There are no IFRSs or IFRIC interpretations that are effective for the first time for the financial year beginning on or after 1 January 2017 that have had a material impact on the company.

Standards which are in issue but not yet effective

At the date of authorisation of these financial statements, the following Standards and Interpretations, which have not yet been applied in these financial statements, were in issue and adopted by the EU:

- IFRS 9, 'Financial instruments', published in July 2014, replaces the existing guidance in IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes revised guidance on the 'classification and measurement' of financial instruments, including a new expected loss model for calculating 'impairment' on financial assets and a new general hedge accounting requirements. It also carries guidance on recognition and de-recognition of financial instruments from IAS 39. IFRS 9 is effective for annual reporting periods beginning on or after 1 January 2018 with early adoption permitted. The company has not early adopted the requirements of IFRS 9 therefore these financial statements have been prepared in accordance with IAS 39, however, a quantitative impact assessment has been made. The Company has identified that the adoption of IFRS 9, from 1 January 2018, will not materially impact its financial statements. In coming to this judgement the Company has considered the impact of the application of an expected credit loss model when calculating impairment losses on its trade and other receivables (both current and non-current), In applying IFRS 9 the Company must consider the probability of a default occurring over the contractual life of its trade receivables and contract asset balances on initial recognition of those assets. The Company does not consider that this will result in increased impairment

- IFRS 15, 'Revenue from Contracts with Customers', IFRS 15 Revenue has replaced IAS 18 Revenue and IAS 11 Construction Contracts. It applies to all contracts with customers except leases, financial instruments and insurance contracts. IFRS 15 establishes the principles that an entity shall apply to report useful information to users of financial statements about their nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The new revenue standard supersedes all current revenue recognition requirements under IFRS. Either a full retrospective application or a modified retrospective application is required for annual periods beginning on or after 1 January 2018. This standard will be adopted on its mandatorily effective date, and the standard will be applied on a cumulative basis, recognising the cumulative effect, if any, of initially applying the standard as an adjustment to the opening balance of retained earnings. The company will continue to assess individual customer contracts for separate performance obligations to allocate the correct transaction price where necessary and therefore has assessed the impact of the new revenue standard from 1 January 2018 to be immaterial.

- IFRS 16, 'Leases', addresses the measurement, classification and recognition of leases. The complete version of IFRS16 was issued in January 2016. It will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. The standard is effective for accounting periods beginning on or after 1 January 2019. Early adoption is permitted. Adoption of IFRS 16 will result in the Company recognising right of use assets and lease liabilities for all contracts that are, or contain, a lease. For leases currently classified as operating leases, under current accounting requirements the Company does not recognise related assets or liabilities, and instead spreads the lease payments on a straight-line basis over the lease term, disclosing in its annual financial statements the total commitment.

  At 31 December 2017 operating lease commitments amounted to £921,780. Further work will be carried out in the course of 2018 to determine the right-of-use assets and lease liabilities to be recognised on 1 January 2019, during which the Company's lease profile is likely to change. Instead of recognising an operating expense for its operating lease payments, the Company will instead recognise interest on its lease liabilities and amortisation on its right of use assets.

3 Critical accounting estimates and judgements

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

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

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below.

Critical judgements

Useful lives of property, plant and equipment
The cost of property, plant and equipment is depreciated over its estimated useful economic life. Management estimates the useful economic lives of this property, plant and equipment to be 3 years and 5 years respectively. Changes in the expected level of usage and technological developments could impact on the useful economic lives and the residual values of these assets; therefore, future depreciation charges could be revised. The carrying amount of the company's property, plant and equipment in the statement of financial position is disclosed in note 12 of the financial statements.

Capitalisation of internally generated intangible assets
Internally generated Intangible assets are not being capitalised because in management's judgement the criteria for capitalisation under IAS 38 have not been met.

4 Corporate information

Aquis Exchange Limited ("the company") is licensed to operate a multilateral trading facility (MTF) enabling members to trade across fourteen European markets and to provide exchange software under licence.

5 Revenue

An analysis of the company's revenue is as follows:

	2017	2016
	£	£
Revenue analysed by class of business		
Subscription Fees	1,706,000	1,074,000
Licence Fees	308,590	147,444
	2,014,590	1,221,444

5 Revenue

(Continued)

	2017	2016
	£	£
Other significant revenue		
Interest income	9,961	10,628

6 Operating segments

The company only has one operating segment.

7 Operating loss

	2017	2016
	£	£
Operating loss for the year is stated after charging/(crediting):		
Exchange gains	(61)	-
Fees payable to the company's auditor for the audit of the company's financial statements	15,000	12,500
Depreciation of property, plant and equipment	83,706	189,247

8 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2017	2016
	Number	Number
Management	4	2
Operations	4	4
Sales	3	3
Marketing	1	1
IT and Finance	16	12
Compliance and Surveillance	3	3
	31	25

Their aggregate remuneration comprised:

	2017	2016
	£	£
Wages and salaries	2,648,863	2,374,237
Social security costs	323,021	264,795
Pension costs	95,690	68,514
	3,067,574	2,707,546

9 Directors' remuneration

	2017 £	2016 £
Remuneration for qualifying services	593,150	435,126
Company pension contributions to defined contribution schemes	-	2,223
	593,150	437,349

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2016 - 2).

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2017 £	2016 £
Remuneration for qualifying services	225,000	149,800
Company pension contributions to defined contribution schemes	-	1,668

10 Investment income

	2017 £	2016 £
Interest income		
Bank deposits	9,961	10,628

11 Income tax expense

	2017 £	2016 £
Current tax		
Adjustments in respect of prior periods	(222,215)	(264,746)

11 Income tax expense (Continued)

The charge for the year can be reconciled to the loss per the income statement as follows:

	2017 £	2016 £
Loss before taxation	(3,266,809)	(3,897,594)
Expected tax credit based on a corporation tax rate of 19.25%	(628,861)	(779,519)
Effect of expenses not deductible in determining taxable profit	8,225	2,440
Unutilised tax losses carried forward	663,238	754,982
Permanent capital allowances in excess of depreciation	(58,716)	(15,752)
Depreciation on assets not qualifying for tax allowances	16,114	37,849
Research and development tax credit	(222,215)	(264,746)
Taxation credit for the year	(222,215)	(264,746)

The company has estimated losses of £16,132,673 (2016: 12,626,269) available for carry forward against future trading profits.

12 Property, plant and equipment

	Fixtures, fittings and equipment £	Computer equipment £	Total £
Cost			
At 1 January 2016	-	1,090,588	1,090,588
Additions	-	25,164	25,164
At 31 December 2016	-	1,115,752	1,115,752
Additions	233,669	67,071	300,740
At 31 December 2017	233,669	1,182,823	1,416,492
Accumulated depreciation and impairment			
At 1 January 2016	-	861,047	861,047
Charge for the year	-	189,247	189,247
At 31 December 2016	-	1,050,294	1,050,294
Charge for the year	28,801	54,905	83,706
At 31 December 2017	28,801	1,105,199	1,134,000

12 Property, plant and equipment (Continued)

	Fixtures, fittings and equipment	Computer equipment	Total
	£	£	£
Carrying amount			
At 31 December 2017	204,868	77,624	282,492
At 31 December 2016	-	65,458	65,458
At 31 December 2015	-	229,541	229,541

13 Trade and other receivables

	Current		Non-current	
	2017	2016	2017	2016
	£	£	£	£
Trade receivables	325,264	307,089	-	-
Other receivables	1,208	32,889	276,534	-
Prepayments	247,957	167,719	-	-
	574,429	507,697	276,534	-

14 Trade receivables - credit risk

Fair value of trade receivables

The directors consider that the carrying amount of trade and other receivables is approximately equal to their fair value.

No significant receivable balances are impaired at the reporting end date.

15 Trade and other payables

	Current	
	2017	2016
	£	£
Trade payables	26,926	36,658
Accruals	248,463	125,269
Social security and other taxation	522	1,470
Other payables	-	19,722
	275,911	183,119

The directors consider that the carrying amount of trade payables approximates to their fair value.

16 Retirement benefit schemes

Defined contribution schemes

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

The total costs charged to income in respect of defined contribution plans are £95,690 (2016 - £68,514).

17 Share capital

	2017	2016
	£	£
Ordinary share capital		
Issued and fully paid		
100,001 Ordinary A shares of 0.001p each	1	1
1,570,700 Ordinary B shares of 0.001p each	16	16
	17	17

Each A Share shall have 3.2 votes. The A Shares, in aggregate, shall be entitled to economic (as to income and capital) rights in the Shares of the Company equal to the A Share Percentage and allocation of those economic rights amongst the holders of A Shares shall be pro rata to the actual number of A Shares held by any Shareholder.

Each B Share shall have 1 vote. The B Shares in aggregate, shall be entitled to economic (as to income and capital) rights in the Shares of the Company equal to the B Share Percentage and the allocation of those rights amongst the holders of those Shares shall be pro rata to the actual number of B Shares held by any Shareholder.

During the prior year, 432,432 Ordinary B shares of 0.001p each were issued at a share premium of £18.50 each.

18 Share premium account

	2017	2016
	£	£
At 1 January 2017	23,517,321	15,517,317
Issue of new shares	-	8,000,004
At 31 December 2017	23,517,321	23,517,321

19 Retained earnings

	2017	2016
	£	£
At the beginning of the year	(15,407,444)	(11,774,596)
Loss for the year	(3,044,594)	(3,632,848)
At the end of the year	(18,452,038)	(15,407,444)

20 Operating lease commitments

Lessee
The company leases an office suite under a non-cancellable operating lease agreement.

Amounts recognised in profit or loss as an expense during the period in respect of operating lease arrangements are as follows:

	2017 £	2016 £
Minimum lease payments under operating leases	206,864	189,466

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2017 £	2016 £
Within one year	230,445	63,362
Between two and five years	691,335	-
	921,780	63,362

21 Capital commitments

There was no capital expenditure contracted for at the end of the reporting year that had not been provided for.

22 Capital risk management

The company's objectives when managing capital are:

- to safeguard the company's ability to continue as a going concern so that it can provide returns for shareholders and benefits for other stakeholders; and
- to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain a strong capital structure, the company may issue new shares, adjust the amount of dividends paid to shareholders, return capital to shareholders or sell assets to ensure capital adequacy requirements are met.

The company adopts the following policies and procedures in order to manage its capital requirements:

- regular monitoring of its current and expected levels of liquidity to ensure that it has sufficient funds for working capital requirements; and
- regular monitoring of the Return on Assets (ROA), maintaining a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

The ROA is the amount of net loss returned as a percentage of total assets.

	2017	2016
	£	£
Loss for the year	(3,044,594)	(3,632,848)
Total assets	5,341,211	8,293,013
Return on Assets	(45%)	(60%)

Externally imposed capital requirements to which the company is subject to have been assessed and complied with in the year.

23 Related party transactions

Remuneration of key management personnel

The remuneration of the directors, who are key management personnel, is set out below in aggregate for each of the categories specified in IAS 24 *Related Party Disclosures*.

	2017	2016
	£	£
Short-term employee benefits	450,000	299,600
Post-employment benefits	-	2,224
	450,000	301,824

24 Controlling party

In the opinion of the directors, there is no single overall controlling party.

25 Cash generated from operations

	2017 £	2016 £
Loss for the year after tax	(3,044,594)	(3,632,848)
Adjustments for:		
Taxation credited	(222,215)	(264,746)
Investment income	(9,961)	(10,628)
Depreciation and impairment of property, plant and equipment	83,706	189,247
Movements in working capital:		
Increase in trade and other receivables	(343,266)	(166,247)
Increase in trade and other payables	92,792	41,262
Cash absorbed by operations	(3,443,538)	(3,843,960)

26 Country-by-Country disclosure

Country	Nature of activities	Turnover	Average number of employees	Profit/(loss) before tax	Corporation tax receivable	Subsidies received
UK	The principal activities of the company are to operate an equities exchange enabling members to trade across fourteen European markets and to provide exchange software under licence.	£2,014,590	31	(£3,266,809)	£222,215	-

AQUIS EXCHANGE LIMITED

MANAGEMENT INFORMATION

FOR THE YEAR ENDED 31 DECEMBER 2017

AQUIS EXCHANGE LIMITED

SCHEDULE OF ADMINISTRATIVE EXPENSES

FOR THE YEAR ENDED 31 DECEMBER 2017

	2017	2016
	£	£
Administrative expenses		
Employee benefits	73,081	81,602
Staff training	11,834	3,239
Rent	206,864	189,466
Service charge payable	30,471	29,485
Rates	43,890	-
Power, light and heat	18,446	-
Insurance	47,445	45,803
Software costs	21,455	-
Travelling expenses	32,095	22,788
Professional subscriptions	13,843	11,511
Legal and professional fees	190,135	357,391
Audit fees	15,000	12,500
Charitable donations	750	-
Bank charges	1,286	1,247
Printing, postage and stationery	5,240	3,840
Advertising	53,192	32,816
Conferences	43,155	10,903
Telecommunications	8,184	31,800
Other office supplies	13,061	-
Entertaining	20,731	27,488
Sundry expenses	639	1
Irrecoverable VAT	281,431	307,138
Depreciation	83,706	189,247
Profit on foreign exchange	(61)	-
	1,215,873	1,358,265

AQUIS EXCHANGE LIMITED

DETAILED TRADING AND PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2017

		2017		2016
	£	£	£	£
Revenue				
Subscription fees		1,706,000		1,074,000
Licence fees		308,590		147,444
		2,014,590		1,221,444
Cost of sales				
Direct costs	877,913		932,810	
Wages and salaries	2,198,863		1,929,244	
Social security costs	323,021		264,795	
Other direct labour costs	-		145,393	
Staff recruitment costs	-		1,045	
Staff pension costs	95,690		66,291	
Directors' remuneration	450,000		299,600	
Directors' fees	130,000		130,000	
Directors' pension costs	-		2,223	
		(4,075,487)		(3,771,401)
Gross loss		(2,060,897)		(2,549,957)
Administrative expenses		(1,215,873)		(1,358,265)
Operating loss		(3,276,770)		(3,908,222)
Investment revenues				
Bank interest received	9,961		10,628	
		9,961		10,628
Loss before taxation		(3,266,809)		(3,897,594)