

**Frey Quantitative Services
Limited**

**Director's report and unaudited
financial statements**

for the year ended 31 December 2013

Registered number 06289991

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COMPANIES HOUSE



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Frey Quantitative Services Limited

Company Information

| | |
|--------------------------|--|
| Director | J O'Callaghan |
| Registered number | 06289991 |
| Registered office | 26th Floor 125 Old Broad Street London EC2N 1AR |
| Accountants | Buzzacott LLP 130 Wood Street London EC2V 6DL |

Frey Quantitative Services Limited

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Frey Quantitative Services Limited

Director's report

For the year ended 31 December 2013

The director presents his report with the financial statements for Frey Quantitative Services Limited (the "company") for the year ended 31 December 2013

Principal activity and review of the business

The principal activity of the company in the year under review continued to be the provision of providing administrative services to FQS Capital Partners LLP

The director intends to continue to focus on developing the expertise of the company in order to give the best environment to further its growth. It is the director's opinion that there are no significant risks or uncertainties facing the company other than the general risks that exist in the financial services sector.

The results and the financial position of the company at the balance sheet date were considered to be satisfactory by the director.

Going concern

The financial statements have been prepared on a going concern basis, which assumes that the company will continue in operational existence for the foreseeable future. The company relies on support from its parent company in order to meet its obligations as they fall due. The director has received assurances from the parent company that this support will continue to be provided for the foreseeable future. On this basis and with all other information available, the director considers it appropriate to prepare these financial statements on a going concern basis.

Results for the year

The loss for the year is shown in the profit and loss account on page 3.

Dividends

The director did not recommend a dividend for the year.

Directors

The directors of the company who were in office during the year and up to the date of signing of the financial statements were:

J O'Callaghan

The director's report is prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

This report was approved by the board on 22 September 2014 and signed on its behalf by



J O'Callaghan
Director

Independent chartered accountants' review report to the director of Frey Quantitative Services Limited

For the year ended 31 December 2013

We have reviewed the financial statements of Frey Quantitative Services Limited for the year ended 31 December 2013, which comprise the Profit and loss account, the Balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities)

This report is made solely to the company's director in accordance with the terms of our engagement letter dated 08 April 2013. Our review has been undertaken so that we might state to the company's director those matters that we have agreed with him in our engagement letter 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 director for our work, for this report or the conclusions we have formed.

Director's responsibility for the financial statements

As explained more fully in the Director's responsibilities statement, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Accountants' responsibility

Our responsibility is to express a conclusion based on our review of the financial statements. We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2400 (Revised), 'Engagements to review historical financial statements' and ICAEW Technical Release TECH 09/13AAF 'Assurance review engagements on historical financial statements'. ISRE 2400 also requires us to comply with the ICAEW Code of Ethics.

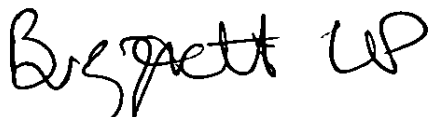
Scope of the assurance review

A review of the financial statements in accordance with ISRE 2400 (Revised) is a limited assurance engagement. We have performed additional procedures to those required under a compilation engagement. These primarily consist of making enquiries of management and others within the entity, as appropriate, applying analytical procedures and evaluating the evidence obtained. The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing (UK and Ireland). Accordingly, we do not express an audit opinion on these financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements have not been prepared:

- so as to give a true and fair view of the state of the company's affairs as at 31 December 2013, and of its loss for the year then ended,
- in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, and
- in accordance with the requirements of the Companies Act 2006.



Buzzacott LLP
130 Wood Street
London
EC2V 6DL

22 September 2014

Profit and loss account

For the year ended 31 December 2013

| | Note | 2013 £ | 2012 £ |
|--|-------------|-------------------------|-------------------------|
| Turnover | 1,2 | 291,684 | 684,588 |
| Administrative expenses | | (292,785) | (685,331) |
| Loss on ordinary activities before taxation | | (1,101) | (743) |
| Tax on loss on ordinary activities | 5 | (4,900) | (22,709) |
| Loss for the financial year | 12 | (6,001) | (23,452) |

All the company's activities derive from continuing activities during the financial years

No statement of total recognised gains or losses has been prepared as there are no recognised gains and losses other than the loss for the above financial year

There is no difference between the deficit for the financial year and the historical cost deficit

The notes on pages 5 to 10 form part of these financial statements

Balance sheet

As at 31 December 2013

| | Note | £ | 2013 £ | £ | 2012 £ |
|---|------|----------|------------------|----------------|------------------|
| Fixed assets | | | | | |
| Tangible assets | 6 | | 25,342 | | 99,405 |
| Investments | 7 | | - | | - |
| | | | <u>25,342</u> | | <u>99,405</u> |
| Current assets | | | | | |
| Debtors | 8 | 351,415 | | 310,063 | |
| Cash at bank | | 912 | | 9,980 | |
| | | | <u>352,327</u> | <u>320,043</u> | |
| Creditors amounts falling due within one year | 9 | (61,368) | | (97,146) | |
| Net current assets | | | <u>290,959</u> | | <u>222,897</u> |
| Total assets less current liabilities | | | <u>316,301</u> | | <u>322,302</u> |
| Creditors amounts falling due after more than one year | 10 | | (528,325) | | (528,325) |
| Net liabilities | | | <u>(212,024)</u> | | <u>(206,023)</u> |
| Capital and reserves | | | | | |
| Called up share capital | 11 | | 200 | | 200 |
| Profit and loss account | 12 | | (212,224) | | (206,223) |
| Shareholders' deficit | | | <u>(212,024)</u> | | <u>(206,023)</u> |

The director considers that the company is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and members have not required the company to obtain an audit for the year in question in accordance with section 476 of the Act

The director acknowledges his responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and for preparing financial statements which give a true and fair view of the state of affairs of the company as at 31 December 2013 and of its loss for the year in accordance with the requirements of sections 394 and 395 of the Act and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company

The financial statements have been prepared in accordance with the provisions applicable to small companies within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The financial statements on pages 3 to 10 were approved and authorised for issue by the board and were signed on its behalf on 22 September 2014



J O'Callaghan
Director

The notes on pages 5 to 10 form part of these financial statements

Notes to the financial statements

For the year ended 31 December 2013

1 Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The principal accounting policies have remained unchanged from previous years and are set out below

1.2 Going concern

The financial statements have been prepared on a going concern basis, which assumes that the company will continue in operational existence for the foreseeable future. The company relies on support from its parent company in order to meet its obligations as they fall due. The director has received assurances from the parent company that this support will continue to be provided for the foreseeable future. On this basis and with all other information available, the director consider it appropriate to prepare these financial statements on a going concern basis.

1.3 Turnover

Turnover represents amounts receivable in respect of the provision of providing administrative services to FQS Capital Partners LLP and is stated net of Value Added Tax.

1.4 Tangible fixed assets and depreciation

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

| | | |
|------------------------------|---|--------------|
| Long-term leasehold property | - | 25% on cost |
| Fixtures and fittings | - | 25% on cost |
| Office equipment | - | 50% on cost |
| Computer equipment | - | 100% on cost |

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be recoverable.

1.5 Investments

Investments are held at cost less provision for any impairment in value.

1.6 Foreign currencies

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

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

Exchange gains and losses are recognised in the profit and loss account.

1.7 Operating leases

Rentals paid under operating leases are charged to the profit and loss account as incurred. The value of any rent free periods are amortised over the life of the lease.

Notes to the financial statements

For the year ended 31 December 2013

1 Accounting policies (continued)

1.8 Taxation

The current tax payable is based on taxable profit for the period. Taxable profit differs from profit as reported in the profit and loss account because it excluded items that are never taxable or deductible. The current tax liability is calculated using rates that have been enacted or substantively enacted by the balance sheet date.

1.9 Deferred taxation

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rate and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements.

Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

2 Turnover

Turnover represents the amounts derived from the provision of providing administrative services to FQS Capital Partners LLP, fees are accrued monthly and presented net of Value Added Tax.

All turnover arose from activities performed within the United Kingdom.

3 Loss on ordinary activities before taxation

The loss on ordinary activities before taxation is stated after charging

| | 2013 | 2012 |
|---|-------------------|-------------------|
| | £ | £ |
| Depreciation of tangible fixed assets - owned by the company | 74,063 | 83,943 |
| Operating lease payments in property | 127,567 | 127,416 |
| | <u> </u> | <u> </u> |

4 Director's remuneration

During the year, the director did not receive any remuneration (2012 - £NIL)

Notes to the financial statements

For the year ended 31 December 2013

5 Tax on loss on ordinary activities

| | 2013 £ | 2012 £ |
|--|--------------|---------------|
| Current tax | | |
| UK corporation tax charge on loss for the year | - | - |
| Deferred tax | | |
| Organisation of timing differences and adjustments in respect of prior periods | 4,900 | 22,709 |
| Tax on loss on ordinary activities | <u>4,900</u> | <u>22,709</u> |

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2012 - the same as) the standard rate of corporation tax in the UK of 23.25% (2012 - 20%). The differences are explained below

| | 2013 £ | 2012 £ |
|---|----------------|--------------|
| Loss on ordinary activities before tax | <u>(1,101)</u> | <u>(743)</u> |
| Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 23.25% (2012 - 20%) | (256) | (149) |
| Effects of | | |
| Expenses not deductible for tax purposes - fixed assets | 5,950 | 5,791 |
| Expenses not deductible for tax purposes | - | 82 |
| Depreciation in excess of capital allowances | 6,582 | 5,955 |
| Utilisation of tax losses and other deductions arising in the year | (12,276) | (11,679) |
| Current tax charge for the year (see note above) | <u>-</u> | <u>-</u> |

Notes to the financial statements

For the year ended 31 December 2013

6 Tangible fixed assets

| | Long-term leasehold property £ | Fixtures and fittings £ | Office equipment £ | Computer equipment £ | Total £ |
|---|---|-------------------------------|--------------------------|----------------------------|------------|
| Cost | | | | | |
| At 1 January 2013 and 31 December 2013 | 295,375 | 39,394 | 3,085 | 80,788 | 418,642 |
| Accumulated depreciation | | | | | |
| At 1 January 2013 | 196,189 | 39,394 | 3,085 | 80,569 | 319,237 |
| Charge for the year | 73,844 | - | - | 219 | 74,063 |
| At 31 December 2013 | 270,033 | 39,394 | 3,085 | 80,788 | 393,300 |
| Net book value | | | | | |
| At 31 December 2013 | 25,342 | - | - | - | 25,342 |
| At 31 December 2012 | 99,186 | - | - | 219 | 99,405 |

7 Fixed asset investments

| | 2013 £ | 2012 £ |
|---------------------------|-----------|-----------|
| At 1 January 2013 | - | 755,112 |
| Disposals during the year | - | (755,112) |
| At 31 December 2013 | - | - |

On 23 August 2012, the company transferred its investment of £755,112 in FQS Capital Partners LLP to HFMUS Limited, a subsidiary of FQS Capital Management (Cayman) Limited

8. Debtors

| | 2013 £ | 2012 £ |
|-------------------------------------|-----------|-----------|
| Due after more than one year | | |
| Lease deposit | 83,718 | 83,718 |
| Due within one year | | |
| Prepayments and accrued income | 62,474 | 82,170 |
| Other debtors | 187,688 | 121,740 |
| Unpaid share capital | 200 | 200 |
| Deferred tax recoverable | 17,335 | 22,235 |
| | 351,415 | 310,063 |

Notes to the financial statements

For the year ended 31 December 2013

9 Creditors
Amounts falling due within one year

| | 2013 £ | 2012 £ |
|------------------------------------|---------------|---------------|
| Trade creditors | 2,384 | 53 |
| Other taxation and social security | 76 | 219 |
| Accruals | 450 | 750 |
| Other creditors | 58,458 | 96,124 |
| | <u>61,368</u> | <u>97,146</u> |

10 Creditors
Amounts falling due after more than one year

| | 2013 £ | 2012 £ |
|-----------------|----------------|----------------|
| Other creditors | <u>528,325</u> | <u>528,325</u> |

11 Share capital

| | 2013 £ | 2012 £ |
|--|------------|------------|
| Allotted, called up and partly paid | | |
| 200 Ordinary shares shares of £1 each | <u>200</u> | <u>200</u> |

12. Reserves

| | Profit and loss account £ |
|-----------------------------|---------------------------------|
| At 1 January 2013 | (206,223) |
| Loss for the financial year | (6,001) |
| At 31 December 2013 | <u>(212,224)</u> |

Notes to the financial statements

For the year ended 31 December 2013

13 Related party transactions

During the year ended 31 December 2013, the company charged various administrative expenses to FQS Capital Management (Cayman) Limited totalling £NIL (2012 - £669)

On 23 August 2012, the company transferred its investment in FQS Capital Partners LLP to HFMUS Limited, a subsidiary of FQS Capital Management (Cayman) Limited. The consideration for this transaction was a reduction of the intercompany balance between the company and FQS Capital Management (Cayman) Limited by £755,112

At the balance sheet date a balance of £528,325 (2012 - £528,325) was owed by the company to FQS Capital Management (Cayman) Limited. There is no interest accruing on the unsecured loan.

During the year, the company charged administrative fees totalling £305,432 (2012 £637,948) to FQS Capital Partners LLP

At the balance sheet date, £169,462 (2012 - £100,651) was owed to the company by FQS Capital Partners LLP

The above entities are considered to be related parties of the company by virtue of common ownership

14. Contingent liabilities

There were no contingent liabilities at 31 December 2012 or 31 December 2013

15. Capital commitments

The company had no capital commitments at 31 December 2012 or 31 December 2013

16 Operating lease commitments

During the year to 31 December 2013, the company occupied premises and £127,567 (2012 - £127,416) was expensed under operating lease commitments

Annual commitments under non-cancellable operating leases were as set out below

| | 2013 £ | 2012 £ |
|--------------------------------------|----------------|----------------|
| Operating lease which expires | | |
| Within 1 year | 130,679 | - |
| Between 2 and 5 years | - | 184,490 |
| | <u>130,679</u> | <u>184,490</u> |

17 Parent undertaking and ultimate controlling party

During the period from 1 January 2012 to 31 December 2013, the immediate parent undertaking was FQS Capital Management (Cayman) Limited, a company incorporated in the Cayman Islands

The ultimate controlling party of the company is J O'Callaghan