

Company Registration No. 1900671 (England and Wales)

**TANGENT TRADING LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 DECEMBER 2020**

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29/09/2021

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# TANGENT TRADING LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	D H Leigh	
	R Borland	
	N G W Grace	(Appointed 2 March 2020)
	P R Tonucci	(Appointed 2 March 2020)
	S J Van Den Born	(Appointed 2 March 2020)
<b>Secretary</b>	S Linsley	
<b>Company number</b>	1900671	
<b>Registered office</b>	155 Bishopsgate London EC2M 3TQ	
<b>Auditors</b>	Price Pearson Finch House 28-30 Wolverhampton Street Dudley West Midlands DY1 1DB	
<b>Business address</b>	1 Dollis Mews London N3 1HH	

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# **TANGENT TRADING LIMITED**

## **CONTENTS**

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	<b>Page</b>
Strategic report	1 - 4
Directors' report	5 - 6
Independent auditor's report	7 - 8
Profit and loss account	9
Statement of comprehensive income	10
Balance sheet	11
Statement of changes in equity	12
Notes to the financial statements	13 - 25

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# TANGENT TRADING LIMITED

## STRATEGIC REPORT

### FOR THE PERIOD ENDED 31 DECEMBER 2020

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The directors present the strategic report for the period ended 31 December 2020.

#### **Review of the business**

On 2 March 2020, the Tangent Trading Group became wholly owned by Marex Spectron Group Limited.

There were no major changes to the company's trading activities either prior to or after this point.

However, during the period the company has faced the Covid-19 pandemic, preparation for changes following Brexit along with alignments to group policies and procedures as a result of the change in ownership.

The company, both before and after the change in control, measures business performance based upon gross profit and overall profitability achieved during the year. It also measures daily performance using contractual quantities and daily trades as key performance indicators.

Despite the longer period of account, turnover has decreased during the period. Covid-19 had a significant impact in the months of April and May 2020 with volumes and prices being depressed. However, the performance did recover in following months with prices towards the end of the year assisting in turnover returning to more pre Covid levels and likewise margins improved towards the end of the year. The directors believe that opportunities available to the company have been maximised and are therefore satisfied with the trading performance for the period.

#### **Principal risks and uncertainties**

##### *Risk Management*

The principal risks facing the Company arise from the operational, market and foreign exchange risks in the course of its normal business. All of the risks in the normal course of business continues to be managed by the Company and its employees; however within the greater confines of the Group and its risk management practices and thresholds. The directors place reliance upon the Company's risk management framework and expertise to manage and monitor the risks as well as greater oversight from the Group.

##### *Operational Risk*

Operational risk is the risk that the Company may incur losses as a result of the business environment in which it operates, failed internal processes, our staff and the systems and facilities that we use. The Group has an operational risk framework in place to ensure that operational risk is reduced to acceptable levels.

##### *Market Risk*

Market risk is the risk that arises from fluctuation in values of assets and liabilities due to short-term price movements. The Company utilises its expertise and processes to monitor and manage this risk by product and by maturity.

##### *Geopolitical Risk*

There are many uncertainties in the geopolitical and societal environment due to the impact of political activities, which include Brexit, wider economic climate, which is currently significantly impacted by Covid-19, digital disruption and societal change.

##### *Brexit*

Although a trade deal has been agreed between the UK and EU, it still means that from 1st January 2021 there are changes to the way that UK regulated entities (including Marex Financial, through which all of the Company's business is transacted). Given that the Company itself has no direct exposure to EU27 entities, the Directors believe that Brexit will have little impact on the Company.

# TANGENT TRADING LIMITED

## STRATEGIC REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2020

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### Section 172, Companies Act 2006

This report sets out how the directors have had regard to the matters set out section 172(1)(a) to (f) when performing their duties under section 172 of the Companies Act 2006. This requires directors to act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole and, in doing so have regard (amongst other matters) to:

a.) The likely consequences of any decision in the long term;

Strategy, risk and financial and operation resilience of the Company is managed at a Group level. The Group strategic review formulated by the Board Executive Committee which was approved in January 2019 includes the Company and how the Company fits into the wider strategic plan. The Group Board delegated its authority to the Risk Committee for oversight and management of key risks and maintaining the Group's risk profile within the risk appetite set by the Group Board. The Company forms part of the enhanced Enterprise Wide Risk Management Framework operated by the Group reflecting the regulatory feedback and changes in the business. The Company also forms part of the annual internal assessment of capital and liquidity adequacy which allows the Board to monitor the activities of the Group and its results against the targeted financial resilience and liquidity.

b.) The interests of the company's employees;

We invest in our people and help them develop their careers. Our people are the basis of our competitive advantage, so we look to grow our own and make our business the place that ambitious, hardworking, and talented people choose to build their careers. We are committed to offering equality of opportunity to all. We frequently engage with our employees through formal and informal channels. These included face-to-face dialogue between employees and line managers, regular 'Town Halls' and staff breakfasts with the CEO, the Chief Operating Officer hosts staff lunches, culture and conduct workshops which were well attended.

c.) The need to foster the company's business relationships with suppliers, customers and others;

### *Suppliers*

We have long-term relationships with a broad range of suppliers around the world. We are committed to high standards and require our suppliers to meet the Marex Spectron Supplier Code of Conduct. As a leader in our space, we take great pride in being a good corporate citizen and are always striving to set the highest standards of ethical conduct, and of corporate and social responsibility. We recognise and are committed to both relevant national and international standards, which we expect our suppliers to abide by, including those set out by the International Labour Organisation, the Bribery Act 2010 and the Equality Act 2010.

### *Clients*

Our clients are everything, which is why superior execution and superb client services is central to our business. We are always looking for new ways to strengthen our client offerings. We believe that the depth and quality of our services differentiates us from many of our competitors. Every day our brokers and traders are interacting with clients. We are also engaging more frequently with the senior management from our clients' firms as we seek to build even deeper relationships.

### *Pandemic*

We continue to share the global community concern over Covid-19, which in addition to the loss of life, has severely impacted economies. We continue to take appropriate action as a business to provide employees with a safe and healthy work environment, whilst continuing to serve our clients effectively. We are closely monitoring developments with respect to the spread and containment. Business Continuity Plans have been thoroughly reviewed for a pandemic scenario across all businesses and offices. We have facilitated working from home arrangements for staff to ensure business continuity in the event of local office closure, or the requirement for individuals to self-isolate. This aims to ensure efficient deployment of systems, unbroken service and minimal disruption to staff, clients and counterparties.

# TANGENT TRADING LIMITED

## STRATEGIC REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2020

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### *Climate Change*

The Paris Agreement signed in 2015, aims to limit increases in global temperature to below two degrees Celsius above pre-industrial levels. This has led to additional regulations designed to reduce greenhouse gas emissions. This focus on greenhouse gas emissions has resulted in increased costs associated with operating in the oil industry, which in turn introduces uncertainties which have a direct impact on prices in the oil industry. We believe that this will not adversely impact our operations and in particular in the short term provide new opportunities.

d.) The impact of the company's operations on the community and the environment;

The Group recognises its role in promoting and supporting environmental sustainability initiatives and as part of the Group, the Company participates in these initiatives. In 2019 the Group announced sponsorship of a multi-year Research Program at the Smith School of Enterprise and the Environment at the University of Oxford, and the Group Board intends on further strengthening its commitment to sustainability throughout 2020, driven by acquisitions, partnership initiatives and development of a Corporate Social Responsibility Policy and Social Purpose Statement.

e.) The desirability of the company maintaining a reputation for high standards of business conduct; and

The Company has a clearly defined purpose which is outlined in the principles that determine our competitive advantage - providing breadth of coverage and depth of services to a diversified client base across all commodity markets.

The Group Board is responsible for the long-term success of the Company and is the body empowered to set the Group's strategy, objectives and overall direction in line with the Group's purpose. The Group Board is the ultimate governing body of the Group and it plays a pivotal role in execution of the Group's strategy. The Group Board is also key in promoting and embedding the Group's cultural values and ensuring a sound risk management culture and environment.

These principles are embedded in the firm's actions and how it conducts business. These are:

- Respect - Clients are at the very heart of our business, with superior execution and excellent client service the foundation of the firm. We respect our clients and always treat them fairly.
- Personal integrity - Doing business the right way is the only way. We hold ourselves to a high ethical standard in everything that we do. Our clients expect this, and demand it of ourselves.
- Collaborative - We work in teams. Open and direct communication and the willingness to work hard and collaboratively are the basis for effective teamwork. Working well with others is necessary for us to succeed at what we do.
- Developing our people - Our people are the basis for our competitive advantage. We look to 'grow our own' and make Marex Spectron the place ambitious, hardworking, talented people choose to build their careers.
- Adaptable - Our size and flexibility is an advantage. We are big enough to support our clients' needs and we are adaptable and nimble enough to respond quickly to changing conditions or requirements. A non-bureaucratic, but well controlled, environment fosters initiative as well as employee satisfaction.

The Directors take the reputation of the Group seriously which is not limited to operational and financial performance. As such the Group's stance on items such as Ethics and the Gender Pay Gap is published on the Group's website ([www.marex.com](http://www.marex.com)).

f.) The need to act fairly as between members of the company.

As a wholly owned subsidiary of Marex Spectron Group Limited, the Shareholder's interest is represented by the Directors some of whom also serve on the Group Board and therefore are responsible for setting the direction of the Group as a whole.

# **TANGENT TRADING LIMITED**

## **STRATEGIC REPORT (CONTINUED)**

***FOR THE PERIOD ENDED 31 DECEMBER 2020***

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The Directors, in preparing this strategic report, have complied with s414C of the Companies Act 2006.

This s172 statement should also be read in conjunction with the statement made in the Group accounts for Marex Spectron Group Limited.

On behalf of the board



.....  
D.H. Leigh  
Director  
.....

23/9/21

# **TANGENT TRADING LIMITED**

## **DIRECTORS' REPORT**

### **FOR THE PERIOD ENDED 31 DECEMBER 2020**

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The directors present their annual report and financial statements for the period ended 31 December 2020.

#### **Principal activities**

The principal activity of the company continued to be that of trading in non-ferrous metals.

On 2 March 2020, 100% of the shares in the Company's parent company Tangent Trading Holdings Limited was acquired by Marex Spectron Group Limited. As a result of the acquisition the accounting reference date has been lengthened to an 18 month period ended 31 December 2020.

#### **Directors**

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

J D Taylor	(Resigned 2 March 2020)
D H Leigh	
Mrs N Reid	(Resigned 2 March 2020)
R Borland	
N G W Grace	(Appointed 2 March 2020)
P R Tonucci	(Appointed 2 March 2020)
S J Van Den Born	(Appointed 2 March 2020)

#### **Results and dividends**

The results for the period are set out on page 9.

Ordinary dividends were paid amounting to £15,900,000. The directors do not recommend payment of a final dividend.

#### **Financial instruments**

##### ***Treasury operations and financial instruments***

The company has exposure to commodity and currency fluctuation risks arising from trading activities. The company looks to limit these risks by its detailed knowledge and use of hedging and maintaining detailed monitoring systems.

#### **Business relationships**

The comments are available in the Strategic Report.

#### **Post reporting date events**

No significant events have taken place since the balance sheet date.

#### **Future developments**

No major alterations to the company's present position are foreseen.

#### **Auditor**

The auditors, Price Pearson, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

#### **Energy and carbon report**

During the 18 month period the company used approximately 24,000 kWh of electricity and 6,000 kWh of gas. No other fuels were used. Full details of SECR reporting to include Tangent Trading Limited can be found in the financial statements of its ultimate parent group Marex Spectron Group Limited.



# TANGENT TRADING LIMITED

## DIRECTORS' REPORT (CONTINUED)

**FOR THE PERIOD ENDED 31 DECEMBER 2020**

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### Statement of directors' responsibilities

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 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;
- state whether applicable UK Accounting Standards 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.

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 of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

  
J H Leigh  
Director

Date: 23/9/21

# TANGENT TRADING LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBER OF TANGENT TRADING LIMITED

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#### Opinion

We have audited the financial statements of Tangent Trading Limited (the 'company') for the period ended 31 December 2020 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, the statement of changes in equity and 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 FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its profit for the period 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 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 directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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 period 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.

# TANGENT TRADING LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBER OF TANGENT TRADING LIMITED

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#### 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.

#### Use of our report

This report is made solely to the company's member 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 member 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 member for our audit work, for this report, or for the opinions we have formed.



Christopher Cooper FCA FCCA (Senior Statutory Auditor)  
for and on behalf of Price Pearson

28/9/21  
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Chartered Accountants  
Statutory Auditor

Finch House  
28-30 Wolverhampton Street  
Dudley  
West Midlands  
DY1 1DB

# TANGENT TRADING LIMITED

## PROFIT AND LOSS ACCOUNT

FOR THE PERIOD ENDED 31 DECEMBER 2020

		Period ended 31 December 2020 £	Year ended 30 June 2019 £
	Notes		
<b>Turnover</b>	<b>3</b>	189,681,829	195,401,663
Cost of sales		(181,390,222)	(188,569,570)
<b>Gross profit</b>		8,291,607	6,832,093
Administrative expenses		(5,252,580)	(4,907,442)
<b>Operating profit</b>	<b>4</b>	3,039,027	1,924,651
Interest receivable and similar income	<b>7</b>	113,621	147,785
Interest payable and similar expenses	<b>8</b>	(65)	(5,896)
Amounts written off investments	<b>9</b>	(5,250)	-
<b>Profit before taxation</b>		3,147,333	2,066,540
Tax on profit	<b>10</b>	(596,955)	(401,725)
<b>Profit for the financial period</b>		2,550,378	1,664,815

The profit and loss account has been prepared on the basis that all operations are continuing operations.

# TANGENT TRADING LIMITED

## STATEMENT OF COMPREHENSIVE INCOME

*FOR THE PERIOD ENDED 31 DECEMBER 2020*

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	Period ended 31 December 2020 £	Year ended 30 June 2019 £
Profit for the period	2,550,378	1,664,815
Other comprehensive income	-	-
Total comprehensive income for the period	<u>2,550,378</u>	<u>1,664,815</u>

# TANGENT TRADING LIMITED

## BALANCE SHEET

AS AT 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
<b>Fixed assets</b>					
Tangible assets	12		20,564		25,648
Investments	13		-		5,250
			<u>20,564</u>		<u>30,898</u>
<b>Current assets</b>					
Debtors	14	20,010,058		33,545,781	
Cash at bank and in hand		1,824,573		2,966,382	
		<u>21,834,631</u>		<u>36,512,163</u>	
<b>Creditors: amounts falling due within one year</b>	15	(15,337,584)		(16,675,828)	
<b>Net current assets</b>			<u>6,497,047</u>		<u>19,836,335</u>
<b>Total assets less current liabilities</b>			<u><u>6,517,611</u></u>		<u><u>19,867,233</u></u>
<b>Capital and reserves</b>					
Called up share capital	17		10,536		10,536
Capital redemption reserve			9,464		9,464
Profit and loss reserves			6,497,611		19,847,233
<b>Total equity</b>			<u><u>6,517,611</u></u>		<u><u>19,867,233</u></u>

The financial statements were approved by the board of directors and authorised for issue on 23/9/21 and are signed on its behalf by:

  
D. H. Leigh  
Director

Company Registration No. 1900671

# TANGENT TRADING LIMITED

## STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 31 DECEMBER 2020

	Notes	Share capital £	Capital redemption reserve £	Profit and loss reserves £	Total £
<b>Balance at 1 July 2018</b>		10,536	9,464	18,582,418	18,602,418
<b>Period ended 30 June 2019:</b>					
Profit and total comprehensive income for the period		-	-	1,664,815	1,664,815
Dividends	11	-	-	(400,000)	(400,000)
<b>Balance at 30 June 2019</b>		10,536	9,464	19,847,233	19,867,233
<b>Period ended 31 December 2020:</b>					
Profit and total comprehensive income for the period		-	-	2,550,378	2,550,378
Dividends	11	-	-	(15,900,000)	(15,900,000)
<b>Balance at 31 December 2020</b>		10,536	9,464	6,497,611	6,517,611

# TANGENT TRADING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2020

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### 1 Accounting policies

#### Company information

Tangent Trading Limited is a private company limited by shares incorporated in England and Wales. The registered office is 155 Bishopsgate, London, EC2M 3TQ.

#### 1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006, except that it has departed from the provisions of section 12 "other financial instrument issues" in order for the financial statements to give a true and fair view (see 2.8).

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared on the historical cost convention. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment' – Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The company is a wholly owned subsidiary of Tangent Trading Holdings Limited and the results of Tangent Trading Limited are included in the consolidated financial statements of Marex Spectron Group Limited. These consolidated financial statements are available from its registered office.

#### 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 the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

#### 1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT.



# TANGENT TRADING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE PERIOD ENDED 31 DECEMBER 2020

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#### 1 Accounting policies

(Continued)

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Interest income is recognised when it is probable that the economic benefits will flow to the company and the amount of revenue can be measured reliably.

#### 1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

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 bases:

Computer equipment	33.33% p.a. straight line basis
Fixtures, fittings & equipment	15% p.a. reducing balance basis
Motor vehicles	25% p.a. reducing balance basis

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

#### 1.5 Fixed asset investments

Fixed asset investments are stated at cost less provision for diminution in value.

#### 1.6 Impairment of fixed assets

At each reporting period 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.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

# TANGENT TRADING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE PERIOD ENDED 31 DECEMBER 2020**

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### 1 Accounting policies

(Continued)

#### 1.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less.

#### 1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments'.

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

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Other financial assets**

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

##### **Impairment of financial assets**

Financial assets, other than those held at fair value through profit and 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 have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

##### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

# TANGENT TRADING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2020

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### 1 Accounting policies

(Continued)

#### **Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

#### **Basic financial liabilities**

Basic financial liabilities, including creditors, bank loans and loans from fellow group companies, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### **Other financial liabilities**

The company has elected not to apply the provisions of section 12 "Other Financial Instruments Issues" to commodity derivative contracts.

The directors have concluded that compliance with the provisions set out in this section of the standard would lead to the financial statements not showing a true and fair view.

Section 12 requires that derivatives should be initially recognised at fair value on the date a derivative contract is entered into and subsequently re-measured at their fair value, with changes in fair value being recognised in profit and loss, unless hedge accounting can be applied.

Given the nature of the business, these contracts are directly linked to sales and purchase contracts.

As the value of the sales and purchase contracts cannot be reliably measured until both elements have been completed, to include related derivatives at fair value at the Balance Sheet date would not give a true and fair reflection of the financial position at the year end.

Any profit or loss on derivatives will therefore be included in the period in which the sale and purchase contract is complete and can be reliably measured.

Forward foreign exchange contracts and foreign exchange swaps are measured at fair value with any changes being recognised in profit and loss.

#### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

### 1.9 Equity instruments

Ordinary shares are classified as equity.

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities in the financial statements in the period in which the dividends and other distributions are approved by the company's shareholders. These amounts are recognised in the statement of changes in equity.

# TANGENT TRADING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2020

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### 1 Accounting policies

(Continued)

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

#### 1.10 Taxation

The tax expense represents the sum of the tax currently payable.

##### *Current tax*

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

#### 1.11 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 stock or fixed 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.

#### 1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

#### 1.13 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

#### 1.14 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the invoice. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

### 2 Judgements and key sources of estimation uncertainty

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.

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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

# TANGENT TRADING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2020

### 2 Judgements and key sources of estimation uncertainty

(Continued)

#### Key sources of estimation uncertainty

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

#### Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 13 for the carrying amount of the plant and equipment, and note 2.4 for the useful economic lives for each class of assets.

### 3 Turnover and other revenue

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

	2020 £	2019 £
<b>Turnover</b>		
Non-ferrous metal trading	189,681,829	195,401,663
	<u>                    </u>	<u>                    </u>
 <b>Other significant revenue</b>		
Interest income	113,621	147,785
	<u>                    </u>	<u>                    </u>

#### Turnover analysed by geographical market

In the opinion of the directors it would be seriously prejudicial to the interests of the company to disclose a geographical analysis of turnover.

### 4 Operating profit

	2020 £	2019 £
Operating profit for the period is stated after charging/(crediting):		
Fees payable to the company's auditor for the audit of the company's financial statements	25,000	11,000
Fees payable to the company's auditor for other services	126,965	83,100
Depreciation of owned tangible fixed assets	6,552	5,665
Profit on disposal of tangible fixed assets	(5,243)	-
Operating lease charges	23,594	18,875
	<u>                    </u>	<u>                    </u>

# TANGENT TRADING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2020

### 5 Employees

The average monthly number of persons (including directors not receiving remuneration) employed by the company during the period was:

	2020 Number	2019 Number
Management	5	4
Administration and office staff	9	7
Total	14	11

Their aggregate remuneration comprised:

	2020 £	2019 £
Wages and salaries	3,540,916	3,506,342
Social security costs	469,868	483,857
Pension costs	9,392	3,962
	4,020,176	3,994,161

### 6 Directors' remuneration

	2020 £	2019 £
Remuneration for qualifying services	3,140,142	3,353,728

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

	2020 £	2019 £
Remuneration for qualifying services	1,188,060	1,851,473

### 7 Interest receivable and similar income

	2020 £	2019 £
Interest income		
Interest on bank deposits	113,621	121,134
Other interest income	-	26,651
Total income	113,621	147,785

# TANGENT TRADING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2020

### 8 Interest payable and similar expenses

	2020	2019
	£	£
Other interest	65	5,896

### 9 Amounts written off investments fixed asset investments

	2020	2019
	£	£
Loss on disposal of investments held at fair value	(5,250)	-

### 10 Taxation

	2020	2019
	£	£
<b>Current tax</b>		
UK corporation tax on profits for the current period	600,290	405,401
Adjustments in respect of prior periods	(3,335)	(3,676)
<b>Total current tax</b>	<b>596,955</b>	<b>401,725</b>

The actual charge for the period can be reconciled to the expected charge for the period based on the profit or loss and the standard rate of tax as follows:

	2020	2019
	£	£
Profit before taxation	3,147,333	2,066,540
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	597,993	392,643
Tax effect of expenses that are not deductible in determining taxable profit	6,035	9,955
Group relief	(482)	(475)
Permanent capital allowances in excess of depreciation	(4,501)	(1,181)
Depreciation on assets not qualifying for tax allowances	1,245	1,076
Under/(over) provided in prior years	(3,335)	(3,676)
Other tax adjustments	-	3,383
<b>Taxation charge for the period</b>	<b>596,955</b>	<b>401,725</b>

### 11 Dividends

	2020	2019
	£	£
Interim paid	15,900,000	400,000

# TANGENT TRADING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2020

### 12 Tangible fixed assets

	Computer equipment	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£
<b>Cost</b>				
At 1 July 2019	57,003	91,304	35,168	183,475
Additions	1,800	6,175	-	7,975
Disposals	-	-	(35,168)	(35,168)
At 31 December 2020	58,803	97,479	-	156,282
<b>Depreciation and impairment</b>				
At 1 July 2019	53,454	77,013	27,360	157,827
Depreciation charged in the period	2,581	2,670	1,301	6,552
Eliminated in respect of disposals	-	-	(28,661)	(28,661)
At 31 December 2020	56,035	79,683	-	135,718
<b>Carrying amount</b>				
At 31 December 2020	2,768	17,796	-	20,564
At 30 June 2019	3,549	14,291	7,808	25,648

### 13 Fixed asset investments

	2020 £	2019 £
Listed investments	-	5,250
<b>Listed investments included above:</b>		
Listed investments carrying amount	-	5,250

#### Fixed asset investments not carried at market value

Fixed asset investments are held at cost.



# TANGENT TRADING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2020

### 13 Fixed asset investments (Continued)

#### Movements in fixed asset investments

	Investments other than loans £
<b>Cost or valuation</b>	
At 1 July 2019	5,250
Disposals	(5,250)
At 31 December 2020	-
<b>Carrying amount</b>	
At 31 December 2020	-
At 30 June 2019	5,250

### 14 Debtors

	2020 £	2019 £
<b>Amounts falling due within one year:</b>		
Trade debtors	18,736,269	32,693,506
Amount due from group undertakings	1,936	1,936
Other debtors - HMRC VAT repayment	1,154,362	842,450
Prepayments and accrued income	117,491	7,889
	<u>20,010,058</u>	<u>33,545,781</u>

Amounts due from group undertakings are unsecured, interest free, have no fixed repayment date and are repayable on demand.

### 15 Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	4,766,154	12,945,724
Amounts due to group undertakings	9,700,950	-
Corporation tax	125,290	205,401
Other taxation and social security	20,169	19,649
Other creditors	569,964	3,472,960
Accruals and deferred income	155,057	32,094
	<u>15,337,584</u>	<u>16,675,828</u>

Amounts due to group undertakings are unsecured, interest free, have no fixed repayment date and are repayable on demand.

# TANGENT TRADING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2020

### 16 Retirement benefit schemes

	2020	2019
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	9,392	3,962

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.

### 17 Share capital

	2020	2019
	£	£
Ordinary share capital		
Authorised		
100,000 Ordinary shares of £1 each	100,000	100,000
7,962 Ordinary A shares of £1 each	7,962	7,962
2,574 Ordinary B shares of £1 each	2,574	2,574
	110,536	110,536
Issued and fully paid		
7,962 Ordinary A shares of £1 each	7,962	7,962
2,574 Ordinary B shares of £1 each	2,574	2,574
	10,536	10,536

The A and B shares have equal rights in respect of voting, dividends and winding up.

### 18 Financial commitments, guarantees and contingent liabilities

At the balance sheet date the company has potential contingent gains and liabilities in respect of commodity price fluctuations as terminal market transactions fall due, all of which are appropriately covered.

The precise amounts cannot be quantified as detailed in Note 2.8.

There were no other significant contingent liabilities at the balance sheet date (2019 - £nil).

# TANGENT TRADING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE PERIOD ENDED 31 DECEMBER 2020

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#### 19 Operating lease commitments

##### Lessee

In the prior year, operating lease payments represented rentals payable by the company for premises. The lease was for a 35 year period to February 2020.

During the period, the company entered into an operating lease for computer software. The lease is for a 5 year period to August 2025.

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:

	2020 £	2019 £
Within one year	98,295	14,157
Between two and five years	294,885	-
	<u>393,180</u>	<u>14,157</u>

#### 20 Controlling party

The intermediate parent company is Tangent Trading Holdings Limited, a company registered in England and Wales.

Until 2 March 2020, the beneficial owner was D H Leigh who owned 100% of the issued share capital of Tangent Trading Holdings Limited.

From 2 March 2020, the ultimate parent company is Marex Spectron Group Limited, a company registered in England and Wales.

The smallest and largest group to consolidate these financial statements is Marex Spectron Group Limited. Copies of Marex Spectron Group Limited consolidated financial statements can be obtained from the company secretary at 155 Bishopsgate, London, United Kingdom, EC2M 3TQ.

# TANGENT TRADING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2020

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### 21 Related party transactions

#### Related individuals

The following transactions took place with individual related parties during the year:

#### Directors and related individuals' current accounts

Creditors include the following amounts due to directors and other related individuals at the year end.

	2020	2019
	£	£
J Taylor & Mrs H Taylor	-	36,600
D H Leigh & Mrs E Leigh	178	150,298
Mrs N Reid and B Reid	-	35
R Borland	-	-

These balances arise as a result of drawings made against the opening balances due, monies introduced and emoluments voted but not paid at the period end.

During the period J D Taylor purchased a motor vehicle and a number plate from the company for a total of £11,750 which was market value at the date of purchase.

#### All related party transactions

There are no provisions against any of the amounts owing at the year end and no amounts have been written off in respect of these transactions during the year.

The company is exempt from disclosing other related party transactions that are wholly owned within the group.

See Note 7 for disclosure of key management compensation.