

Registration number: 01969442

BERKELEY FUTURES LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2017

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BREBNERS
Chartered Accountants & Statutory Auditor
130 Shaftesbury Avenue
London
W1D 5AR

BERKELEY FUTURES LIMITED

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BERKELEY FUTURES LIMITED

Company Information

Directors Mr A M Woodward
Mr C I Thompson

Company secretary Mr C I Thompson

Registered office 130 Shaftesbury Avenue
2nd Floor
London
W1D 5EU

Bankers National Westminster Bank plc
PO Box 2AG
63 Piccadilly
London
W1A 2AG

Auditors Brebners
Chartered Accountants & Statutory Auditor
130 Shaftesbury Avenue
London
W1D 5AR

BERKELEY FUTURES LIMITED

Strategic Report for the Year Ended 30 April 2017

The directors present their strategic report for the year ended 30 April 2017.

PRINCIPAL ACTIVITY

The principal activity of the company is that of futures, options and foreign exchange broking. The company does not take proprietary positions.

FAIR REVIEW OF THE BUSINESS

The directors are satisfied with the results for the year which show a profit after taxation of £1,479,433. They are hopeful of maintaining the company's position in the forthcoming year.

Financial key performance indicators

The company's key financial and other performance indicators during the year were as follows:

	Unit	2017	2016
Turnover	£	9,945,980	9,584,905
Increase/ (Decrease) in turnover	%	4	(11)
Operating profit	£	1,842,000	1,512,281
Increase/ (Decrease) in Operating profit	%	22	(15)
Operating profit margin	%	19	15

Non-financial key performance indicators

The company seeks to ensure that the responsible business practice is fully integrated into the management of all of its operations and into the culture of all parts of the business. It believes that the consistent adoption of responsible business practice is essential for operational excellence, which in turn ensures the delivery of its core objectives and sustained real growth in profitability.

In a company this size the directors consider there are collectively numerous non-financial performance indicators but none individually are key.

BERKELEY FUTURES LIMITED

Strategic Report for the Year Ended 30 April 2017

PRINCIPAL RISKS AND UNCERTAINTIES

The board is responsible for determining the level of risk acceptable to the company. This is subject to regular review. The company seeks to mitigate its risks through the application of strict limits and controls and a monitoring process at operational level.

Credit Risk

Credit risk is the risk that counterparties will not be able to meet their obligations as they fall due. There are regular credit reviews of counterparty limits. Berkeley Futures Limited holds margin monies or other collateral to mitigate their risks. Additionally daily margin calls are made on clients to reflect market movements affecting client positions.

There is a risk that Berkeley Futures Limited could have a client default on his position or that a dealer error could result in losses to Berkeley Futures Limited. This is mitigated by a flexible and experienced team, tight margining procedures and comprehensive policies regarding the take on of clients and market exposure.

Operational Risk

Operational risk is caused by failures in business processes or the systems or physical infrastructure that support them that have the potential to result in financial loss or reputational damage. This includes errors, omissions, systems failure, lack of resources or physical assets and deliberate acts such as fraud.

There is a risk that key IT systems could fail causing a loss of business and reputational damage. This is mitigated by a local and constantly available IT service for IT support and an efficient back up service and business continuity plan.

The regulated environment in which the company operates, imposes extensive reporting requirements and continuing self assessment and appraisal. The company seeks to continually improve its operating efficiencies and standards.

Business Risk

There is a risk that the economic demand for brokerage services will diminish, resulting in lesser income. These risks are mitigated by Berkeley Futures Limited having a relatively low cost based structure and a large and diversified client base. There is a risk that competition will increase, driving commission rates down. This risk is mitigated by Berkeley Futures Limited diversifying away from the individual client and migrating more to the professional client where commissions tend to be lower but volume higher. A range of clients in the client base, trading a variety of different instruments and no specific direct competitor reduces the level of this risk.

Liquidity Risk

The company ensures that liquidity is maintained by monitoring cash balances daily to ensure it retains flexibility in the management of cash flows.

Market Risk

The company monitors market performance on a daily basis. However, the company is not adversely affected by changes in market performance as its income is derived from commissions receivable.

BERKELEY FUTURES LIMITED

Strategic Report for the Year Ended 30 April 2017

Foreign Currency Risk

Cash is held in currencies other than Sterling. Funds at brokers are matched with client funds to mitigate exposure to exchange rate fluctuations in any currency.

Interest Rate Risk

The company is exposed to interest rate risk as it has significant net earnings on its own cash deposits and those of its customers. Interest rates are regularly monitored in light of current performance and the economic environment.

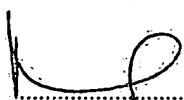
FINANCIAL INSTRUMENTS

The company holds basic financial instruments, comprising borrowings, cash and various other items including trade debtors and creditors arising directly from its operations. Any non-basic financial instruments in respect of investments traded on behalf of clients through brokers are marked to market with a corresponding adjustments against amounts due to clients. There is no effect in the profit and loss other than the company's commission earned on the transaction. The company has a normal level of exposure to price, credit, liquidity and cash flow risks arising from its trading activities. Trade is largely conducted in Sterling, Euros and US Dollars which the company monitors and manages regularly, as noted above. The company does not enter into any formal hedging arrangements.

FUTURE DEVELOPMENTS

The principal activity and trading performance of the company is expected to remain consistent for the foreseeable future.

Approved by the Board on 21/08/2017 and signed on its behalf by:


Mr A M Woodward
Director

BERKELEY FUTURES LIMITED

Directors' Report for the Year Ended 30 April 2017

The directors present their report and the financial statements for the year ended 30 April 2017.

DIRECTORS OF THE COMPANY

The directors who held office during the year were as follows:

Mr A M Woodward

Mr C I Thompson

DISCLOSURE OF INFORMATION IN THE STRATEGIC REPORT

The company has chosen in accordance with S.414C(11) Companies Act 2006 to set out in the company's strategic report information required by Schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 to be contained in the directors' report. It has done so in respect of future developments and financial instruments.

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors acknowledge their responsibilities 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 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; and
- 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.


BERKELEY FUTURES LIMITED

Directors' Report for the Year Ended 30 April 2017

DISCLOSURE OF INFORMATION TO THE AUDITORS

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Approved by the Board on 21/08/2017 and signed on its behalf by:


Mr A M Woodward
Director

BERKELEY FUTURES LIMITED

Independent Auditor's Report to the Members of Berkeley Futures Limited for the Year Ended 30 April 2017

We have audited the financial statements of Berkeley Futures Limited for the year ended 30 April 2017, set out on pages 9 to 30. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in 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.

Respective responsibilities of directors and auditor

As explained more fully in the directors' responsibilities statement (set out on page 5), the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors to the financial statements.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 April 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

BERKELEY FUTURES LIMITED

Independent Auditor's Report to the Members of Berkeley Futures Limited for the Year Ended 30 April 2017

Opinion on other matter prescribed by the Companies Act 2006

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

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

In the light of our 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.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, 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.



John Chamberlain (Senior Statutory Auditor)
For and on behalf of Brebners, Statutory Auditor

130 Shaftesbury Avenue
London
W1D 5AR

Date: 22/8/17

BERKELEY FUTURES LIMITED

Statement of Income and Retained Earnings for the Year Ended 30 April 2017

	Note	2017 £	2016 £
Turnover	3	9,945,980	9,584,905
Cost of sales		<u>(4,795,018)</u>	<u>(5,099,898)</u>
Gross profit		5,150,962	4,485,007
Administrative expenses		<u>(3,308,962)</u>	<u>(2,972,726)</u>
Operating profit	5	<u>1,842,000</u>	<u>1,512,281</u>
Other interest receivable and similar income	6	<u>5,514</u>	<u>17,504</u>
		<u>5,514</u>	<u>17,504</u>
Profit before tax		1,847,514	1,529,785
Taxation	10	<u>(368,081)</u>	<u>(308,361)</u>
Profit for the financial year		1,479,433	1,221,424
Retained earnings brought forward		7,059,751	6,438,327
Dividends paid		<u>-</u>	<u>(600,000)</u>
Retained earnings carried forward		<u>8,539,184</u>	<u>7,059,751</u>

The notes on pages 14 to 30 form an integral part of these financial statements.

BERKELEY FUTURES LIMITED

Statement of Comprehensive Income for the Year Ended 30 April 2017

	Note	2017 £	2016 £
Profit for the year		<u>1,479,433</u>	<u>1,221,424</u>
Total comprehensive income for the year		<u><u>1,479,433</u></u>	<u><u>1,221,424</u></u>

The notes on pages 14 to 30 form an integral part of these financial statements.

BERKELEY FUTURES LIMITED

Statement of Financial Position as at 30 April 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	11	73,100	100,412
Investments	12	<u>168,340</u>	<u>168,340</u>
		<u>241,440</u>	<u>268,752</u>
Current assets			
Debtors	13	9,088,297	4,115,295
Cash at bank and in hand		<u>10,342,182</u>	<u>8,759,025</u>
		19,430,479	12,874,320
Creditors: Amounts falling due within one year	15	<u>(11,105,034)</u>	<u>(6,053,281)</u>
Net current assets		<u>8,325,445</u>	<u>6,821,039</u>
Total assets less current liabilities		<u>8,566,885</u>	<u>7,089,791</u>
Provisions for liabilities	16	<u>(7,150)</u>	<u>(9,489)</u>
Net assets		<u>8,559,735</u>	<u>7,080,302</u>
Capital and reserves			
Called up share capital	18	20,551	20,551
Profit and loss account		<u>8,539,184</u>	<u>7,059,751</u>
Total equity		<u>8,559,735</u>	<u>7,080,302</u>

Approved and authorised by the Board on 21/08/2017 and signed on its behalf by:



Mr A M Woodward

Director

Company registration number: 01969442

The notes on pages 14 to 30 form an integral part of these financial statements.

BERKELEY FUTURES LIMITED

Statement of Changes in Equity for the Year Ended 30 April 2017

	Share capital £	Profit and loss account £	Total £
At 1 May 2016	20,551	7,059,751	7,080,302
Profit for the year	-	1,479,433	1,479,433
Total comprehensive income	-	1,479,433	1,479,433
At 30 April 2017	<u>20,551</u>	<u>8,539,184</u>	<u>8,559,735</u>
	Share capital £	Profit and loss account £	Total £
At 1 May 2015	20,551	6,438,327	6,458,878
Profit for the year	-	1,221,424	1,221,424
Total comprehensive income	-	1,221,424	1,221,424
Dividends	-	(600,000)	(600,000)
At 30 April 2016	<u>20,551</u>	<u>7,059,751</u>	<u>7,080,302</u>

The notes on pages 14 to 30 form an integral part of these financial statements.

BERKELEY FUTURES LIMITED

Statement of Cash Flows for the Year Ended 30 April 2017

	Note	2017 £	2016 £
Cash flows from operating activities			
Profit for the year		1,479,433	1,221,424
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	5	28,514	28,612
Profit on disposal of tangible assets	4	(13,820)	(12,100)
Finance income	6	(5,514)	(17,504)
Income tax expense	10	368,081	308,361
Accrued (income)/expenses		<u>73,982</u>	<u>(289,667)</u>
		1,930,676	1,239,126
Working capital adjustments			
Increase in trade debtors and other debtors	13	(4,973,002)	(3,625,627)
Increase in trade creditors and other creditors	15	<u>5,102,587</u>	<u>4,393,226</u>
Cash generated from operations		2,060,261	2,006,725
Income taxes paid	10	<u>(295,236)</u>	<u>(363,747)</u>
Net cash flow from operating activities		<u>1,765,025</u>	<u>1,642,978</u>
Cash flows from investing activities			
Interest received	6	5,514	17,504
Acquisitions of tangible assets		(1,202)	(236,487)
Proceeds from sale of tangible assets		<u>13,820</u>	<u>12,100</u>
Net cash flows from investing activities		18,132	(206,883)
Cash flows from financing activities			
Dividends paid		<u>(200,000)</u>	<u>(400,000)</u>
Net increase in cash and cash equivalents		1,583,157	1,036,095
Cash and cash equivalents at 1 May		<u>8,759,025</u>	<u>7,722,930</u>
Cash and cash equivalents at 30 April		<u>10,342,182</u>	<u>8,759,025</u>

The notes on pages 14 to 30 form an integral part of these financial statements.

BERKELEY FUTURES LIMITED

Notes to the Financial Statements for the Year Ended 30 April 2017

1 GENERAL INFORMATION

The company is a private company limited by share capital incorporated in England and Wales.

The address of its registered office is:
130 Shaftesbury Avenue
2nd Floor
London
W1D 5EU

The principal activity of the company is continued to be that of futures, options and foreign exchange broking. The company does not take proprietary positions.

2 ACCOUNTING POLICIES

Summary of significant accounting policies and key accounting estimates

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.

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

Basis of preparation

These financial statements have been prepared using the historical cost convention except any items disclosed in the accounting policies as being shown at fair value and are presented in sterling, which is the functional currency of the entity.

Going concern

The financial statements have been prepared on a going concern basis.

The statement of income for the year shows profit before tax of £1,847,514 and the statement of financial position shows net assets of £8,559,735 at the year end. The company has £10,342,182 cash and liquid resources and no bank borrowings.

The directors consider that the company's underlying business is profitable. The company monitors and continues to maintain a level of financial resources in excess of that required under its FCA registration.

Hence its directors believe that the company is well placed to manage its business risks successfully despite the current uncertain economic outlook.

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

BERKELEY FUTURES LIMITED

Notes to the Financial Statements for the Year Ended 30 April 2017

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome.

There are no judgements or key sources of estimation uncertainty that management have made in the process of applying the entity's accounting policies that have a significant effect on the amounts recognised in the financial statements.

Revenue recognition

Turnover represents commissions received and receivable on transactions made on behalf of the clients, and net interest received and receivable on trading balances. All amounts are stated net of attributable value added tax.

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the company. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

BERKELEY FUTURES LIMITED

Notes to the Financial Statements for the Year Ended 30 April 2017

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. An increase in the carrying amount of an asset as a result of a revaluation is recognised in other comprehensive income and accumulated in equity except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where the revaluation decrease exceeds the accumulated revaluation gains accumulated in respect of that asset, the excess shall be recognised in profit and loss.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Furniture and fittings	20% straight line
Motor vehicles	25% straight line

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount the asset is impaired accordingly. Prior impairments are also reviewed for the possible reversal at each reporting date.

For the purpose of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the assets and generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

BERKELEY FUTURES LIMITED

Notes to the Financial Statements for the Year Ended 30 April 2017

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Trade creditors

Trade creditors 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 the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date, as a result of a past event, where it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustment to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight line basis. In accordance with the transitional provisions of FRS102 lease incentives on leases which were in existence prior to 1st April 2014 have been spread over the shorter of the lease term and the period to the first rent review on which the rent is first expected to be adjusted to the prevailing market rate.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

BERKELEY FUTURES LIMITED

Notes to the Financial Statements for the Year Ended 30 April 2017

Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

Defined contribution pension obligation

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

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Open positions

Segregated balances at brokers include positions open at the year end. These are valued at the market price prevailing on that date and matched in the valuation of amounts due to clients. Hence there is no profit effect. The net balance held of segregated bank balances plus segregated broker balances less segregated client balances is included in cash equivalents.

Client funds

The company holds money on behalf of customers in accordance with the Customer Asset (CASS) rules of the Financial Conduct Authority (FCA). This money is kept in segregated funds at banks and brokers. The amounts held on behalf of customers at the balance sheet date which are segregated in accordance with the FCA's requirements are stated in note 14 and are not included in the company's balance sheet.

The amounts held on behalf of customers at the balance sheet date and which are non-segregated in accordance with the FCA's requirements are stated in note 15 and are included in the Company's balance sheet.

Foreign currency

Foreign currency transactions are initially recorded in the functional currency by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date with any gains or losses being taken to the profit or loss account.

BERKELEY FUTURES LIMITED

Notes to the Financial Statements for the Year Ended 30 April 2017

Financial instruments

Recognition and measurement

A financial asset or liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at the market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Where investments in non-convertible preference shares and non-puttable ordinary shares or preference shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in profit or loss. All other such investments are subsequently measured at cost less impairment.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or finance at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Impairment

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting period date. If there is objective evidence of impairment, impairment loss is recognised through profit or loss immediately.

For all equity instruments regardless of significance and other financial assets that are individually significant, they are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversal of impairment is recognised in profit or loss immediately to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

BERKELEY FUTURES LIMITED

Notes to the Financial Statements for the Year Ended 30 April 2017

Related parties

For the purposes of these financial statements, a party is considered to be related to the company if:

- (i) the party has the ability, directly or indirectly, through one of more intermediaries, to control the company or exercise significant influence over the company in making financial and operating policy decisions, or has joint control over the company;
- (ii) the company and the party are subject to common control;
- (iii) the party is an associate of the company or a joint venture in which the company is a venturer;
- (iv) the party is a member of key management personnel of the company or the company's parent, or a close family member of such an individual, or is an entity under the control, joint control or significant influence of such individuals;
- (v) the party is a close family member of a party referred to in (i) or is an entity under the control, joint control or significant influence of such individuals;
- (vi) the party is a post-employment benefit plan which is for the benefit of employees of the company or of any entity that is a related party of the company; or
- (vii) the party, or any member of a group of which it is part, provides key management personnel services to the company or its parent.

Close family members of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the entity.

3 REVENUE

The analysis of the company's revenue for the year from continuing operations is as follows:

	2017	2016
	£	£
Interest received	606,754	417,104
Commissions received	7,545,938	8,079,050
Other revenue	1,793,288	1,088,751
	<u>9,945,980</u>	<u>9,584,905</u>

The turnover and operating profit were derived from the company's principal activity. Segmental disclosure of turnover and profit before tax has not been given as the directors believe that this would be seriously prejudicial to the interests of the company.

Included in other revenue are exchange gains of £112,879 (2016: £66,311).

4 OTHER GAINS AND LOSSES

The analysis of the company's other gains and losses for the year is as follows:

	2017	2016
	£	£
Gain (loss) on disposal of property, plant and equipment	<u>13,820</u>	<u>12,100</u>

BERKELEY FUTURES LIMITED

Notes to the Financial Statements for the Year Ended 30 April 2017

5 OPERATING PROFIT

Operating profit or loss is stated after charging:

	2017 £	2016 £
Depreciation of tangible assets	28,514	28,612
Gains on disposal of tangible assets	(13,820)	(12,100)
Defined contribution plans expense	4,377	428
Operating lease costs - computer system	173,050	175,633
Operating lease costs - property	<u>155,726</u>	<u>124,028</u>

6 OTHER INTEREST RECEIVABLE AND SIMILAR INCOME

	2017 £	2016 £
Other finance income	<u>5,514</u>	<u>17,504</u>

7 STAFF COSTS

The aggregate payroll costs (including directors' remuneration) were as follows:

	2017 £	2016 £
Wages and salaries	1,746,473	1,744,626
Social security costs	229,060	217,169
Pension costs, defined contribution scheme	<u>4,377</u>	<u>428</u>
	<u>1,979,910</u>	<u>1,962,223</u>

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows:

	2017 No.	2016 No.
Administration and support	5	4
Sales	<u>15</u>	<u>14</u>
	<u>20</u>	<u>18</u>

BERKELEY FUTURES LIMITED

Notes to the Financial Statements for the Year Ended 30 April 2017

8 DIRECTORS' REMUNERATION

The directors aggregate remuneration in respect of qualifying services was:

	2017 £	2016 £
Remuneration	<u>251,766</u>	<u>251,846</u>

The number of directors who accrued benefits under company pension plans was as follows:

	2017 No.	2016 No.
Accruing benefits under defined benefit pension scheme	<u>2</u>	<u>2</u>

In respect of the highest paid director:

	2017 £	2016 £
Remuneration	<u>128,020</u>	<u>128,087</u>

9 AUDITORS' REMUNERATION

	2017 £	2016 £
Audit of the financial statements	<u>18,000</u>	<u>18,000</u>

Fees payable to the company's auditor and its associates for other services:

Taxation compliance services	9,750	9,500
Other non-audit services	<u>41,200</u>	<u>47,708</u>
	<u>50,950</u>	<u>57,208</u>

BERKELEY FUTURES LIMITED

Notes to the Financial Statements for the Year Ended 30 April 2017

10 TAXATION

Tax charged/(credited) in the income statement

	2017 £	2016 £
Current taxation		
UK corporation tax	370,420	295,102
Deferred taxation		
Arising from origination and reversal of timing differences	(2,339)	13,259
Tax expense in the income statement	368,081	308,361

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK (2016 - higher than the standard rate of corporation tax in the UK) of 19.92% (2016 - 20%).

The differences are reconciled below:

	2017 £	2016 £
Profit before tax	1,847,514	1,529,785
Corporation tax at standard rate	367,984	305,957
Effect of expense not deductible in determining taxable profit (tax loss)	1,082	861
Deferred tax expense (credit) from unrecognised temporary difference from a prior period	(2,339)	13,259
Tax increase (decrease) from effect of capital allowances and depreciation	1,354	(11,716)
Total tax charge	368,081	308,361

BERKELEY FUTURES LIMITED

Notes to the Financial Statements for the Year Ended 30 April 2017

11 TANGIBLE ASSETS

	Furniture, fittings and equipment £	Motor vehicles £	Total £
Cost or valuation			
At 1 May 2016	210,138	90,290	300,428
Additions	1,202	-	1,202
Disposals	<u>-</u>	<u>(42,507)</u>	<u>(42,507)</u>
At 30 April 2017	<u>211,340</u>	<u>47,783</u>	<u>259,123</u>
Depreciation			
At 1 May 2016	109,726	90,290	200,016
Charge for the year	28,514	-	28,514
Eliminated on disposal	<u>-</u>	<u>(42,507)</u>	<u>(42,507)</u>
At 30 April 2017	<u>138,240</u>	<u>47,783</u>	<u>186,023</u>
Carrying amount			
At 30 April 2017	<u><u>73,100</u></u>	<u><u>-</u></u>	<u><u>73,100</u></u>
At 30 April 2016	<u><u>100,412</u></u>	<u><u>-</u></u>	<u><u>100,412</u></u>

12 INVESTMENTS

	2017 £	2016 £
Cost brought forward	168,340	-
Additions	<u>-</u>	<u>168,340</u>
Carrying amount	<u><u>168,340</u></u>	<u><u>168,340</u></u>

The company holds 2,500 B shares in LME Holdings Limited as part of its membership of the London Metal Exchange as a category 4 member. These shares are a minimum requisite for membership to the London Metal Exchange. These are non-listed investments as there is no active market for these shares. This investment has been valued at amortised cost at the balance sheet date and there was no impairment.

BERKELEY FUTURES LIMITED

Notes to the Financial Statements for the Year Ended 30 April 2017

13 DEBTORS

	2017 £	2016 £
Other debtors	243,883	218,380
Prepayments	334,785	291,710
Amounts due from non-segregated brokers	8,509,629	3,605,205
	<u>9,088,297</u>	<u>4,115,295</u>

14 CASH AND CASH EQUIVALENTS

	2017 £	2016 £
Cash and cash equivalents	<u>10,342,182</u>	<u>8,759,025</u>
Represented by:		
Cash held in segregated bank accounts	62,614,517	53,337,382
Amounts held as segregated balances by brokers	63,817,557	47,343,932
Amounts due to clients in respect of segregated balances under CASS	(125,026,482)	(99,592,440)
Surplus funds held in segregated accounts	<u>1,405,592</u>	<u>1,078,874</u>
Cash and cash equivalents held in Company's own name	<u>8,936,590</u>	<u>7,680,151</u>
Cash and cash equivalents	<u>10,342,182</u>	<u>8,759,025</u>

Included within cash and cash equivalents held in company's own name is an amount of £1,034,269 (2016: £780,856) held on behalf of non-segregated clients disclosed within creditors.

15 CREDITORS

	Note	2017 £	2016 £
Due within one year			
Social security and other taxes		63,406	81,723
Other creditors		47,860	84,739
Dividends payable		-	200,028
Amounts due to non-segregated clients		9,543,872	4,386,061
Accrued expenses		1,079,610	1,005,628
Income tax liability	10	370,286	295,102
		<u>11,105,034</u>	<u>6,053,281</u>

BERKELEY FUTURES LIMITED

Notes to the Financial Statements for the Year Ended 30 April 2017

16 DEFERRED TAX AND OTHER PROVISIONS

	Deferred tax £	Total £
At 1 May 2016	9,489	9,489
Increase (decrease) in existing provisions	(2,339)	(2,339)
At 30 April 2017	<u>7,150</u>	<u>7,150</u>

17 PENSION AND OTHER SCHEMES

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £4,377 (2016 - £428).

18 SHARE CAPITAL

Allotted, called up and fully paid shares

	2017		2016	
	No.	£	No.	£
Ordinary shares of £0.01 each	1,591,000	15,910	1,591,000	15,910
'A' Ordinary shares of £0.01 each	55,100	551	55,100	551
'B' Ordinary shares of £0.01 each	409,000	4,090	409,000	4,090
	<u>2,055,100</u>	<u>20,551</u>	<u>2,055,100</u>	<u>20,551</u>

Rights, preferences and restrictions

Ordinary shares

- (i) dividends, if recommended and paid, are fixed at 66.67% (net of associated tax credit) of the total dividend recommended and paid less the pro-rata proportion of dividends paid on 'A' ordinary shares,
- (ii) returns of capital are limited to 66.67% of any surplus remaining after all the company's liabilities have been paid, following deduction of the pro-rata amount which is to be paid on 'A' ordinary shares.

The ordinary shares are classified as equity instruments.

BERKELEY FUTURES LIMITED

Notes to the Financial Statements for the Year Ended 30 April 2017

'A' Ordinary Shares

The 'A' ordinary shares rank pari passu in all respects with the ordinary shares save that:

- (i) dividends, if recommended and paid, are fixed at 5% (net of associated tax credit) of nominal value per annum.
- (ii) returns of capital are limited to the amounts paid up on such shares, including premium (if any),
- (ii) no entitlement is given with regard to attendance or voting at general meetings,
- (iv) conversion to ordinary shares shall occur in the event of a sale of the entire share capital of the company or a public offering of its shares.

The 'A' ordinary shares are classified as equity instruments.

'B' Ordinary shares

The 'B' ordinary shares rank pari passu in all respects with the ordinary shares save that:

- (i) dividends, if recommended and paid, are fixed at 33.33% (net of associated tax credit) of the total dividend recommended and paid on all classes of shares,
- (ii) returns of capital are limited to 33.33% of any surplus remaining after all the company's liabilities have been paid.

The 'B' ordinary shares are classified as equity instruments.

19 OBLIGATIONS UNDER LEASES

Operating leases - lessor

The total of future minimum lease payments is as follows:

	2017 £	2016 £
Not later than one year	276,618	273,018
Later than one year and not later than five years	546,137	708,237
Later than five years	99,474	207,992
	<u>922,229</u>	<u>1,189,247</u>

The total future minimum lease payments are split between a property lease of £642,062 (2016: £750,579) and a computer systems lease of £280,167 (2016: £438,667).

BERKELEY FUTURES LIMITED

Notes to the Financial Statements for the Year Ended 30 April 2017

20 SHARE-BASED PAYMENTS

Share options

Scheme details and movements

There are outstanding share options granted to employees of the Company. At 30th April there were 25,000 in existence all of which were granted on 1st April 2011 and vested on 1st April 2014. The options may be exercised immediately in the event of (i) a proposed sale of shares of the entire share capital of the company, or (ii) the proposed listing of any securities of the company on any Recognised Investment Exchange. The options are valid between 1st April 2014 and 31st March 2021 and the exercise price is £5.84 per share. There were no movements in share options during the year.

21 DIVIDENDS

Final dividends

	2017 £	2016 £
Ordinary 1p shares	-	399,972
A Ordinary 1p shares	-	28
B Ordinary 1p shares	-	200,000
	-	<u>600,000</u>

BERKELEY FUTURES LIMITED

Notes to the Financial Statements for the Year Ended 30 April 2017

22 RELATED PARTY TRANSACTIONS

Summary of transactions with other related parties

Berkeley Futures Limited Directors Pension Scheme

During the year Berkeley Futures Limited made contributions to the Berkeley Futures Limited Directors Pension Scheme of £Nil (2016: £Nil). Included in 'Amounts due to clients' as disclosed in note 14 is a balance of £459,443 (2016: £286,459) being amounts due to the Berkeley Futures Limited Directors Pension Scheme.

Berkeley (Bahamas) Limited

Berkeley Futures Limited Directors Pension Scheme has a 30% interest in Berkeley (Bahamas) Limited.

Included in turnover is an amount of £23,548 (2016: £43,164) earned as a result of executing transactions for Berkeley (Bahamas) Limited.

Included in cost of sales is an amount of £22,055 (2016: £40,221) being commission payable to Berkeley (Bahamas) Limited.

Included in accruals and deferred income is a balance of £261,459 (2016: £211,985) being commission due to Berkeley (Bahamas) Limited.

Included in 'Amounts due to clients' as disclosed in note 14 is a balance of £132,066 (2016: £765,385) being amounts held on behalf of the clients of Berkeley (Bahamas) Limited.

Macquarie Bank Limited

The company uses the broking services of Macquarie Bank Limited, a company incorporated in Australia. Macquarie Bank Limited owns Macquarie Investments (UK) Limited, a company incorporated in England and Wales, which holds 100% of the 'B' Ordinary shares of Berkeley Futures Limited and hence receives all dividends thereon.

Included in 'Amounts held as segregated balances by brokers' as disclosed in note 14 is an amount of £23,557,725 (2016: £14,804,477) being segregated balances held by Macquarie Bank Limited.

Included in cost of sales is an amount of £1,474,277 (2016: £1,572,202) being commission and fees payable to Macquarie Bank Limited.

BERKELEY FUTURES LIMITED

Notes to the Financial Statements for the Year Ended 30 April 2017

23 FINANCIAL INSTRUMENTS

Categorisation of financial instruments

	2017 £	2016 £
Financial assets that are debt instruments measured at amortised cost	19,169,165	12,605,251
Financial assets that are equity instruments measured at cost less impairment	<u>168,340</u>	<u>168,340</u>
	<u>19,337,505</u>	<u>12,773,591</u>
Financial liabilities measured at amortised cost	<u>10,671,342</u>	<u>5,676,456</u>
	<u>10,671,342</u>	<u>5,676,456</u>