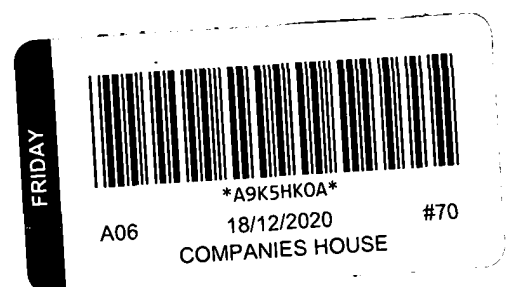


Company number: 3290332

Rolfe & Nolan Systems Limited

Strategic report, directors' report and financial statements for
the financial year ended 31 December 2019



DIRECTORS' REPORT AND FINANCIAL STATEMENTS
for the financial year ended 31 December 2019

TABLE OF CONTENTS	PAGE
COMPANY INFORMATION	2
STRATEGIC REPORT	3
DIRECTORS' REPORT	5
INDEPENDENT AUDITOR'S REPORT	7
STATEMENT OF COMPREHENSIVE INCOME	10
STATEMENT OF FINANCIAL POSITION	11
STATEMENT OF CHANGES IN EQUITY	12
NOTES TO THE FINANCIAL STATEMENTS	13

ROLFE & NOLAN SYSTEMS LIMITED

COMPANY INFORMATION

DIRECTORS	C. Clinch (Irish) A. Woods (Australian)
SECRETARY	A. Woods (Australian)
REGISTERED OFFICE	10, Queen Street Place London, EC4R 1BE, United Kingdom.
REGISTERED NUMBER OF INCORPORATION	3290332
AUDITOR	Ernst & Young, Chartered Accountants, Ernst & Young Building, Harcourt Centre, Harcourt Street, Dublin 2, Ireland.
BANKERS	Lloyds TSB Bank plc, 39 Threadneedle Street, London, EC2R 8AU United Kingdom.

STRATEGIC REPORT

for the financial year ended 31 December 2019

The directors present herewith their strategic report for the financial year ended 31 December 2019.

PRINCIPAL ACTIVITIES, REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The principal activity of the Company is the sale and development of software products that allow its customers to automate trading activities in financial markets.

Financial Performance Indicators

The Company's key measures of financial performance are Revenue, EBITDA (earnings before interest, taxation, depreciation and amortisation), Profit on Ordinary Activities after Taxation, and Net Cash Flow.

Revenue

The Company's total revenue was £10.30 million in 2019 and £11.56 million in 2018. The decrease in total revenue for 2019 as compared to 2018 is approximately £1.26 million or 10.90%.

EBITDA

Earnings before interest, taxation, depreciation and amortisation were approximately £1.15 million in 2019 and £1.02 million in 2018. The increase in EBITDA for 2019 as compared to decrease in 2018 is approximately £0.13 million or 12.75%.

Profit on Ordinary Activities after Taxation

Profit on ordinary activities after taxation was approximately £0.80 million in 2019 and £0.60 million in 2018. The increase in profit on ordinary activities after taxation for 2019 as compared to 2018 is approximately £0.20 million or 33%.

Net Cash Flow

The Company's cash balance decreased by £0.06 million in 2019 compared to £0.04 million in 2018.

DIVIDENDS

The dividend paid in 2019 was £Nil (2018: £Nil).

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties which the Company faces are:

- The Company derives most of its revenues from customers in the financial services industry. The Company's business, financial condition and operating results could be adversely affected by significant changes in that industry;
- Potential defects in the Company's products or failure to provide services for the Company's customers could cause the Company's revenue to decrease, cause the Company to lose customers and damage the Company's reputation;
- The Company has a limited ability to protect its intellectual property rights, and others could obtain and use the Company's technology without authorisation;
- The Company may be exposed to significant liability if it infringes the intellectual property or proprietary rights of others.

STRATEGIC REPORT

for the financial year ended 31 December 2019 (Continued)

PRINCIPAL RISKS AND UNCERTAINTIES (continued)

The Company has insurances, business policies and organisational structures to limit these risks and uncertainties. The board of directors and management regularly review, reassess and proactively limit the associated risks.

On behalf of the Directors



C. CLINCH

Directors

Date: 12th November 2020

DIRECTORS' REPORT

for the financial year ended 31 December 2019

The directors present herewith their report and audited Financial Statements ("Financial Statements") for the financial year ended 31 December 2019.

DIRECTORS AND THEIR INTERESTS

The names of the directors who served at any time during the financial year are as listed on page 2.

The interests of the directors and company secretary in shares of the Company or other group companies are set out in note 15 to the Financial Statements.

RESEARCH AND DEVELOPMENT

Research and development is concentrated on the development of solutions for trading, trade processing and related middleware. The capitalised development costs are shown in note 9.

EVENTS SINCE THE STATEMENT OF FINANCIAL POSITION DATE

Subsequent to the year end, the COVID-19 outbreak developed rapidly, which is causing economic disruptions in most countries. Various measures have been taken by Governments around the world to contain the virus which have had a significant impact on global economic activity.

The principal activity of the Company is the sale and development of software products that allow its customers to automate trading activities in financial markets, and as such a significant proportion of our projects can be performed remotely. The Company has moved to remote working arrangements which are running smoothly, to ensure the safety of our staff and to enable our business to operate with minimal impact.

A significant portion of the Company's revenue is derived from multi-year contracts with customers and services to other group affiliates with the services provided being critical to our customers' operations, hence limited immediate impact is expected on the Company's revenue stream. Given the nature of the outbreak and the on-going developments, at this time it is not possible to estimate the overall future impact to the Company.

DISCLOSURE OF INFORMATION TO THE 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, being information needed by the auditor in connection with preparing their report, of which the auditor is unaware. Having made enquiries of fellow directors and the Company's auditor, each director has taken all the steps that he is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Strategic Report, the Directors' 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 FRS 101 (Reduced Disclosure Framework). 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 as at the financial year end date and of the profit or loss of the Company for the financial year.

DIRECTORS' REPORT

for the financial year ended 31 December 2019 (Continued)

DIRECTORS' RESPONSIBILITIES STATEMENT (continued)

In preparing those Financial Statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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.

ENVIRONMENTAL MATTERS

The Company will seek to minimise adverse impacts on the environment from its activities, whilst continuing to address health, safety and economic issues. The Company has complied with all applicable legislation and regulations.

GOING CONCERN

At the time of approving the financial statements, the directors have considered the circumstances of the Company and the board consider it reasonable to continue to adopt the going concern basis in preparing the financial statements.

AUDITOR

The auditor, Ernst & Young, Chartered Accountants, will continue in office and a resolution concerning their re-appointment will be proposed at the Annual General Meeting.

On behalf of the Directors


C. CLINCH

Director

Date: 12TH NOVEMBER 2020



**Building a better
working world**

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ROLFE & NOLAN SYSTEMS LIMITED

Opinion

We have audited the financial statements of Rolfe & Nolan Systems Limited for the year ended 31 December 2019 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, Statement of Changes in Equity and the related notes 1 to 17, 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 101 "Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. 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 were:

- 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.

Continued.../



**Building a better
working world**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ROLFE & NOLAN SYSTEMS
LIMITED (Continued)**

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this 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 the 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 the audit:

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

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

- adequate accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; 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.

Continued.../



**Building a better
working world**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ROLFE & NOLAN SYSTEMS
LIMITED (Continued)**

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on pages 5 and 6, 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 <https://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 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.

A handwritten signature in black ink, appearing to read 'Dermot Quinn', with a long horizontal line extending to the right.

Dermot Quinn (Senior statutory auditor)
for and on behalf of Ernst & Young, Statutory Auditor
Dublin

Date: 16 November 2020

ROLFE & NOLAN SYSTEMS LIMITED**STATEMENT OF COMPREHENSIVE INCOME**
for the financial year ended 31 December 2019

	<i>Note</i>	<i>2019</i> £	<i>2018</i> £
Revenue	2	10,295,351	11,562,197
General and administrative expenses		(9,381,743)	(10,778,902)
Operating profit	3	913,608	783,295
Finance expense	7	(105,224)	(101,753)
Profit on ordinary activities before taxation		808,384	681,542
Tax on profit on ordinary activities	8	(5,660)	(78,854)
Profit for the financial year		802,724	602,688
Other comprehensive income		-	-
Total comprehensive income		802,724	602,688

ROLFE & NOLAN SYSTEMS LIMITED
**STATEMENT OF FINANCIAL POSITION
at 31 December 2019**

	Note	2019 £	2018 £
NON CURRENT ASSETS			
Intangible assets	9	583,256	819,039
Deferred tax asset	8	7,492	-
		<u>590,748</u>	<u>819,039</u>
CURRENT ASSETS			
Debtors – amounts falling due within one year	10	29,193,732	19,169,368
Cash at bank and in hand		1,887	58,703
		<u>29,195,619</u>	<u>19,228,071</u>
CREDITORS (amounts – falling due within one year)	11	(16,881,346)	(7,938,376)
NET CURRENT ASSETS		<u>12,314,273</u>	<u>11,289,695</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>12,905,021</u>	<u>12,108,734</u>
CREDITORS (amounts – falling due after more than one year)	11	-	(6,437)
NET ASSETS		<u>12,905,021</u>	<u>12,102,297</u>
CAPITAL AND RESERVES			
Called up share capital	12	2	2
Capital contribution		5,015,695	5,015,695
Retained earnings		7,889,324	7,086,600
SHAREHOLDERS' FUNDS		<u>12,905,021</u>	<u>12,102,297</u>

The financial statements were approved by the Board of Directors and authorised for issue on

12th November 2020. They were signed on its behalf by:



C. CLINCH
Director

ROLFE & NOLAN SYSTEMS LIMITED

STATEMENT OF CHANGES IN EQUITY
for the financial year ended 31 December 2019

	<i>Share capital</i> £	<i>Capital contribution</i> £	<i>Retained earnings</i> £	<i>Total equity</i> £
Balance as at 1 January 2018	2	5,015,695	6,483,912	11,499,609
Profit for the financial year	-	-	602,688	602,688
Other comprehensive income for the financial year	-	-	-	-
Total comprehensive income for the financial year	-	-	602,688	602,688
Balance at 31 December 2018	2	5,015,695	7,086,600	12,102,297
Profit for the financial year	-	-	802,724	802,724
Other comprehensive income for the financial year	-	-	-	-
Total comprehensive income for the financial year	-	-	802,724	802,724
Balance as at 31 December 2019	2	5,015,695	7,889,324	12,905,021

NOTES TO THE FINANCIAL STATEMENTS
31 December 2019

1. ACCOUNTING POLICIES

(a) General information

Rolfe & Nolan Systems Limited is a private limited company incorporated in England and Wales. The registered office address is 10, Queen Street Place, London, EC4R 1BE, United Kingdom. The principal activities of the Company are described in the Directors' Report. The ultimate parent undertaking is disclosed in note 15.

(b) Basis of preparation

The Financial Statements have been prepared in accordance with the Companies Act 2006 and Financial Reporting Standard 101 "Reduced Disclosure Framework" (FRS 101). The Financial Statements are prepared under the historical cost convention.

The preparation of Financial Statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the Financial Statements are disclosed in note 1(e).

(c) Going concern

The financial statements have been prepared on a going concern basis, having considered the anticipated future cash flows to be generated from operating activities. There are no reasonably anticipated sensitivities in expected future cashflows that could lead to a different conclusion.

(d) Exemptions utilised under FRS 101

The following exemptions from the requirements of IFRS have been applied in the preparation of these Financial Statements, in accordance with FRS 101:

- IFRS 7 *Financial Instruments: Disclosures*
- Paragraphs 91 to 99 of IFRS 13 *Fair value measurement* (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities)
- The following paragraphs of IAS 1 *Presentation of Financial Statements*:
 - i. 10(d), (statement of cash flows)
 - ii. 16 (statement of compliance with all IFRS),
 - iii. 38A (requirement for minimum of two primary statements, including cash flow statements),
 - iv. 111 (cash flow statement information), and
 - v. 134-136 (capital management disclosures)
- IAS 7 *Statement of cash flows*
- Paragraph 30 and 31 of IAS 8 *Accounting policies, changes in accounting estimates and errors* (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective)
- Paragraph 17 of IAS 24 *Related party disclosures* (key management compensation)
- The requirements in IAS 24 *Related party disclosures* to disclose related party transactions entered into between two or more members of a group.
- Paragraphs 130(f)(ii), 130(f)(iii), 134(d) to 134(f) and 135(c) to 135(e) of IAS 36 *Impairment of assets*.
- The second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 126 and 129 of IFRS 15 *Revenue from Contracts with Customers*.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2019 (Continued)

1. ACCOUNTING POLICIES (continued)

(e) *Judgments and key sources of estimation uncertainty*

The preparation of Financial Statements requires management to make judgments, estimates and assumptions that affect the amounts reported for assets and liabilities as at the Statement of Financial Position date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

The following judgments (apart from those involving estimates) have had the most significant effect on amounts recognised in the Financial Statements;

- (i) *Development costs*: The Company capitalises development costs for development projects in accordance with the accounting policy. Initial capitalisation of costs is based on management's judgement that technological and economic feasibility is confirmed. In determining the amounts to be capitalised, management makes assumptions regarding the expected future cash generation of the project, and the expected period of benefits.
- (ii) *Provision for doubtful debts*: For trade receivables, the Company uses a provision matrix to calculate the expected credit loss (ECL). The provision matrix is based on days past due, initially based on the Company's historical observed default rates by customer segment. In determining the provision matrix, a significant judgement exists in determining the correlation between historically observed default rates, current and future economic conditions. The Company's historical observed default rates as adjusted by future economic conditions may not be representative of the future actual default rates. Please see note 10 for further detail.

(f) *Research and development costs*

Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Company are recognised as intangible assets when all of the following criteria are satisfied:

- it is technically feasible to complete the software product so that it will be available for use;
- management intends to complete the software product and use or sell it;
- there is an ability to use or sell the software product;
- it can be demonstrated how the software product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- the expenditure attributable to the software product during its development can be reliably measured.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. Following initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete, and the asset is available for use. It is amortised evenly over the period of expected future benefit. The current weighted average life of capitalised development costs is 10 years (2018: 10 years).

NOTES TO THE FINANCIAL STATEMENTS
31 December 2019 (Continued)

1. ACCOUNTING POLICIES (continued)

(g) *Tangible fixed assets and depreciation*

Tangible fixed assets are stated at historical cost or valuation less accumulated depreciation and impairment losses. Cost comprises the amount paid and the costs directly attributable to making the asset capable of operating as intended. Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value based on prices prevailing at the date of acquisition of each asset evenly over its expected useful life, as follows:

Leasehold improvements	over the period of lease
Fixtures and fittings	3 years
Office equipment	3-5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. Any gain or loss arising from on the derecognition of the asset is included in the Statement of Comprehensive Income in the period of derecognition.

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

(h) *Impairment of non-financial assets*

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount in order to determine the extent of the impairment loss. An asset's recoverable amount is the higher of an asset's (or cash-generating unit's) fair value less costs to sell and its value in use and is determined at the individual asset level, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses are recognised in the Statement of Comprehensive Income.

(i) *Financial assets*

Initial recognition and measurement - the Company determines the classification of its financial assets on initial recognition. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

Subsequent measurement - for purposes of subsequent measurement, financial assets held by the Company are classified as follows:

- Loans and receivables - The Company measures financial assets at amortised cost if both of the following conditions are met; (i) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows, and (ii) based on the contractual terms the expected cashflows are solely payments of principal and interest on the outstanding principal. After initial measurement, such financial assets are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2019 (Continued)

1. ACCOUNTING POLICIES (continued)

(i) *Financial assets (continued)*

Impairment of financial assets - For trade receivables and contract assets, the Company applies a simplified approach in calculating expected credit losses (ECLs). Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the trade receivable and the economic environment.

The Company considers default to occur when contractual payments are outstanding greater than 360 days past due based on historical experience, however given the Company applies a simplified approach in calculating ECLs for trade receivables and contract assets, the definition of default has no impact on the quantification of the provision. Trade receivables are written off when there is no reasonable expectation of recovering the contractual cashflows, which is based on an assessment of the Company's intention and ability to successfully recover balances through enforcement activities.

Derecognition - a financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Company's Statement of Financial Position) when:

- The rights to receive cash flows from the asset have expired; or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

(j) *Financial liabilities*

Initial recognition and measurement - the Company determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent measurement - the measurement of financial liabilities depends on their classification, as described below:

- Loans and borrowings - after initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Comprehensive Income.

Derecognition of financial liabilities - a liability is generally derecognised when the contract that gives rise to it is settled, sold, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, such that the difference in the respective carrying amounts together with any costs or fees incurred are recognised in the Statement of Comprehensive Income.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2019 (Continued)

1. ACCOUNTING POLICIES (continued)

(k) *Cash at bank and in hand*

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

(l) *Provisions for liabilities*

A provision is recognised when the Company has legal or constructive obligation as a result of a past event; it is probable that an outflow of economic benefits will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation. If the effect is material, expected future cash flows are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability.

(m) *Foreign currency translation*

Items included in the Financial Statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The Financial Statements are presented in pound sterling (£), which is also the Company's functional currency.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income.

(n) *Taxation*

The tax expense for the financial year comprises current and deferred tax. Current tax is charged or credited to other comprehensive income if it relates to items that are charged or credited to other comprehensive income. Similarly, current tax is charged or credited to equity if it relates to items that are credited or charged directly to equity. Otherwise income tax is recognised in profit or loss.

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted for the financial year.

Deferred tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Financial Statements, except for deferred tax assets which are only recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised.

Deferred tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or liability is settled, based on tax rates and laws enacted or substantively enacted at the Statement of Financial Position date.

The carrying amount of deferred tax assets is reviewed at each Statement of Financial Position date. Deferred tax assets and liabilities are offset, only if a legally enforcement right exists to set off current tax assets against current tax liabilities, the deferred income taxes relate to the same taxation authority and that authority permits the Company to make a single net payment.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2019 (Continued)

1. ACCOUNTING POLICIES (continued)

(o) *Revenue recognition*

The Company recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Multi element arrangements and allocations of the transaction price

The Company derives revenue from licenses and subscriptions of its software and related professional services, which can include; assistance in implementation, customisation and integration, post-contract customer support, and other professional services.

In the event that an agreement with the Company's customers is executed in close proximity to other agreements with the same customer, the Company evaluates whether the separate agreements have a single commercial objective and should be combined; if so, the agreements together are considered a single multi-element arrangement.

The Company accounts for individual elements as distinct performance obligations when an element is separately identifiable from other elements in the agreement and if the customer can benefit from the separate element.

Where such multiple-element arrangements exist, the transaction price is allocated to each performance obligation based on the stand alone selling prices. The Stand-alone selling price of each performance obligation is determined based on the best estimate of the current market price of each of the performance obligations when sold separately.

In determining the total transaction price, the Company considers the fair value of the consideration, both fixed and variable, to which an entity expects to be entitled and adjusts the promised amount of consideration for the effects of the time value of money if the timing of payments agreed to by the parties to the contract (either explicitly or implicitly) provides the customer or the entity with a significant benefit of financing the transfer of goods or services to the customer where the period of the financing is over one year.

Sale of and subscription to licenses

License revenue is recognised over the period of the related sales agreement, where the licence is considered a right to access IP or the license is considered a right of use of the software but it is not distinct from post contractual support ("PCS").

In all other circumstances, where the license is considered a right of use of the software, license revenue is recognised when the Company has no further obligations to perform in respect of the license. Where the license is distinct and separated from the PCS, the PCS revenue is recognised over the PCS period in the sales agreement.

Rendering of services

Revenue pursuant to time and material professional services contracts are recognised as services are performed. Revenues from fixed-fee professional services contracts are recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided. This is determined based on the actual labour hours spent relative to the total expected labour hours. Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2019 (Continued)

1. ACCOUNTING POLICIES (continued)

(p) Dividend distributions

Dividend distributions to the Company's shareholders are recognised as a liability in the period in which the dividends are approved by the Company's shareholders.

2. REVENUE

Revenue was wholly derived from the Company's principal activity. It comprises the value of goods and services sold, excluding VAT. The Company has recognised the following amounts in relation to revenue in the Statement of Comprehensive Income.

All revenue is derived from overseas customers as follows:

	2019 £	2018 £
Contracts with customers	10,295,351	11,562,197

The Company typically invoices clients annually in advance for all contract revenue streams except for professional service revenue, which can be either billed in advance or on satisfaction of milestones. As such, substantially all deferred revenue at the end of an accounting year will be recognised in the following year, with the exception of (i) contracts where revenue recognition is deferred due to uncertainty over payment and (ii) contracts with a significant financing component.

Contract assets primarily relate to the Company's rights to consideration for work completed but not billed at the reporting date. Contract liabilities primarily relate to the advance consideration received from customers for contracts, for which revenue will be recognised on satisfaction of performance obligations in the next reporting period.

	2019 £	2018 £
Accrued revenue at the beginning of the year	20,171	2,995
Deferred revenue at the beginning of the year	(31,649)	(33,308)
Net contract liability at the beginning of the year	(11,478)	(30,313)
Invoices raised in the year	(10,308,781)	(11,543,362)
<i>Revenue recognised in the year</i>		
Included in the contract liability at the beginning of the year	31,649	33,308
Relating to performance obligations satisfied in the current year	10,263,702	11,528,889
Accrued revenue at the end of the year	11,009	20,171
Deferred revenue at the end of the year	(35,917)	(31,649)
Net contract liability at the end of the year	(24,908)	(11,478)

NOTES TO THE FINANCIAL STATEMENTS
31 December 2019 (Continued)

2. REVENUE (continued)

The Company does not disclose the amount of the transaction price allocated to the remaining performance obligations and when it expects to recognise that amount as revenue, in accordance with paragraph 121 and B16 of IFRS 15.

3. OPERATING PROFIT

	2019	2018
	£	£
Operating profit is stated after charging / (crediting):		
Amortisation of intangible assets	235,783	236,400
Foreign exchange (gain)/loss	(25,701)	29,020
	<u> </u>	<u> </u>

4. AUDITOR'S REMUNERATION

The Company paid the following amounts to its auditor in respect of the audit of the Financial Statements and for other services provided to the Company:

	2019	2018
	£	£
Audit of individual company accounts	8,264	8,163
Tax advisory services	2,340	2,312
	<u> </u>	<u> </u>
	<u>10,604</u>	<u>10,475</u>

5. DIRECTORS' REMUNERATION

The directors of the Company during the period received no remuneration for services to the Company during the period.

6. STAFF COSTS

The Company has no employees.

7. FINANCE EXPENSE

	2019	2018
	£	£
Interest on amounts owed to group undertakings	105,224	101,753
	<u> </u>	<u> </u>

NOTES TO THE FINANCIAL STATEMENTS
31 December 2019 (Continued)
8. TAX

	2019	2018
	£	£
(a) Tax on profit on ordinary activities		
The tax charge is made up as follows:		
Current tax:		
UK corporation tax	-	90,182
Under / (over) provision in previous years	19,589	(17,694)
Total current tax	19,589	72,488
Deferred tax:		
Origination and reversal of temporary differences	(13,835)	6,366
Adjustment in respect of prior years	(94)	-
	(13,929)	6,366
Tax on profit on ordinary activities (note 8(b))	5,660	78,854
(b) Factors affecting tax charge for the year:		
The tax assessed for the year differs from that calculated by applying the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%). The differences are explained below:		
	2019	2018
	£	£
Profit on ordinary activities before tax	808,384	681,542
Profit on ordinary activities before tax multiplied by the standard rate of corporation tax in the United Kingdom of 19.00% (2018: 19.00%)	153,593	129,493
Effects of:		
Income not taxable	-	(48)
Effect of change in deferred tax rate	1,344	1,068
Adjustment in respect of prior years – deferred tax	(94)	15,809
Adjustment in respect of prior years – corporation tax	19,589	(17,694)
Group relief surrendered claimed	(168,772)	(49,774)
Tax on profit on ordinary activities (note 8(a))	5,660	78,854
(c) Deferred tax (asset) / liability		
	2019	2018
	£	£
Included in non-current assets	(7,492)	-
Included in non-current liabilities (note 11)	-	6,437

NOTES TO THE FINANCIAL STATEMENTS
31 December 2019 (Continued)

8. TAX (continued)

(c) *Deferred tax (asset) / liability (continued)*

	2019	2018
	£	£
Accelerated capital allowances	(7,492)	6,437
	<hr/>	<hr/>
	2019	2018
	£	£
At 1 January	6,437	71
Deferred tax charge / (credit) in statement of comprehensive income	(13,929)	6,366
	<hr/>	<hr/>
At 31 December	(7,492)	6,437
	<hr/>	<hr/>

(d) *Circumstances affecting future tax charges:*

In the Finance Act 2016, which was enacted on 15 September 2016, the UK Government confirmed that the main rate of corporation tax in the UK will be reduced from the 19% rate applying from 1 April 2017 to 17% from 1 April 2020. On 11 March 2020, the UK Government announced that the main rate of corporation tax will not be reduced to 17% from 1 April 2020 and will remain at 19%; however, that change has not yet been substantively enacted. As a result, the deferred tax asset / liability being carried at 31 December 2019 relating to UK temporary differences has been recognised at the 17% rate.

9. INTANGIBLE ASSETS

	<i>Development costs</i>
	£
<i>Cost</i>	
At 1 January and 31 December 2018 and 2019	2,314,894
	<hr/>
<i>Amortisation</i>	
At 1 January 2018	(1,259,455)
Charge for the year	(236,400)
	<hr/>
At 31 December 2018	(1,495,855)
Charge for the year	(235,783)
	<hr/>
At 31 December 2019	(1,731,638)
	<hr/>
<i>Net book value</i>	
At 31 December 2019	583,256
	<hr/>
At 31 December 2018	819,039
	<hr/>

NOTES TO THE FINANCIAL STATEMENTS
31 December 2019 (Continued)
10. DEBTORS

	2019	2018
	£	£
<i>Amounts falling due within one year</i>		
Trade receivables	9,576	15,655
Accrued income	11,009	20,171
Other debtors	-	4,896
Amounts owed from group undertakings	29,060,329	19,128,415
VAT and employment taxes	-	231
Corporation tax receivable	112,818	-
	<u>29,193,732</u>	<u>19,169,368</u>

The amounts owed from group undertakings are trade balances which are repayable on demand.

Expected credit losses on trade receivables

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables and contract assets are regularly monitored. Trade receivables are non-interest bearing and are generally issued with credit terms of 0 – 30 days.

An impairment analysis is performed at each reporting date using the provision matrix below to measure the ECL. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns. The calculation of the ECL reflects reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Loss rates are based on actual credit loss experience over a period of at least 6 years.

These rates are multiplied by scalar factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Company's view of economic conditions over the expected lives of the receivables.

Set out below is the information about the credit risk exposure on the Company's trade receivables and contract assets using a provision matrix:

As at 31 December 2019 (£):	<i>Current</i>	<i>30-360</i>	<i>Over 360</i>	<i>Total</i>
Expected credit loss rate %	0.1%	0.3%	88.8%	
Gross carrying amount	4,000	5,600	-	9,600
ECL	(4)	(20)	-	(24)
Net carrying amount	<u>3,996</u>	<u>5,580</u>	<u>-</u>	<u>9,576</u>
Past due but not impaired	<u>-</u>	<u>5,580</u>	<u>-</u>	<u>5,580</u>

NOTES TO THE FINANCIAL STATEMENTS
31 December 2019 (Continued)

10. DEBTORS (continued)

As at 31 December 2018 (£):	<i>Current</i>	<i>30-360</i>	<i>Over 360</i>	<i>Total</i>
Expected credit loss rate %	0.1%	0.3%	88.8%	
Gross carrying amount	14,271	-	12,492	26,763
ECL	(14)	-	(11,094)	(11,108)
Net carrying amount	14,257	-	1,398	15,655
Past due but not impaired	-	-	1,398	1,398

Expected credit losses on trade receivables

	<i>2019</i> £	<i>2018</i> £
As at 1 January	11,108	12,357
Movement in provision for expected credit losses	(11,084)	(1,249)
As at 31 December	24	11,108

11. CREDITORS

	<i>2019</i> £	<i>2018</i> £
<i>Amounts falling due within one year</i>		
Corporation tax	-	242,420
Accruals	25,002	30,002
Deferred income	35,917	31,649
Loans owed to fellow subsidiary undertakings	1,193,979	1,112,918
Amounts owed to immediate parent undertaking	15,626,049	6,520,479
Other creditors	399	908
	16,881,346	7,938,376
<i>Amounts falling due after more than one year</i>		
Deferred tax	-	6,437

The amounts owed to immediate parent undertaking are trade balances which are repayable on demand. Intercompany loan is unsecured and incurs interest of 10%.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2019 (Continued)

12. SHARE CAPITAL

	2019	2018
	£	£
Authorised		
1,000 Ordinary Shares of £1 each	1,000	1,000

Ordinary Shares have full voting and dividend rights, and carry distribution rights upon a winding up, sale or quotation of the Company.

	2019	2018
	£	£
<i>Allotted, called up and fully paid</i>		
2 Ordinary Shares of £1 each	2	2

13. COMMITMENTS

There is a charge over the assets of the Company and over those of certain subsidiary undertakings in favour of UBS Securities LLC in respect of loans repayable by other group companies.

14. RELATED PARTY TRANSACTIONS

During the year the Company entered into transactions, in the ordinary course of business, with other related parties. Those transactions with directors are disclosed in note 5. The Company has taken advantage of the exemption under paragraph 8(k) of FRS 101 not to disclose transactions with fellow wholly owned subsidiaries.

15. PARENT UNDERTAKINGS, CONTROLLING PARTIES, DIRECTORS' AND SECRETARY'S INTERESTS

The Company's immediate parent undertaking and controlling party is ION Trading UK Limited, a company incorporated in the United Kingdom.

The parent undertaking of the smallest and largest groups of undertakings for which consolidated financial statements are prepared and of which the Company is a member, is ION Trading Technologies Limited and ION Investment Group Limited, respectively, companies incorporated in the Republic of Ireland. Copies of these consolidated financial statements are available from the Companies Registration Office, Parnell House, Parnell Square, Dublin 1, Ireland.

The Company's ultimate parent undertaking and controlling party is Bessel Capital S.à.r.l., a company incorporated in Luxembourg.

Neither the directors, nor the company secretary, their spouses or minor children, held any interests in the shares of the Company, its parent undertaking or any other group undertaking, except as follows:

At the year end, Mr. A. Pignataro owned directly 100% (2018: 100%) of Bessel Capital S.à.r.l.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2019 (Continued)

16. EVENTS SINCE THE STATEMENT OF FINANCIAL POSITION DATE

Subsequent to the year end, the COVID-19 outbreak developed rapidly, which is causing economic disruptions in most countries. Various measures have been taken by Governments around the world to contain the virus which have had a significant impact on global economic activity.

The principal activity of the Company is the sale and development of software products that allow its customers to automate trading activities in financial markets, and as such a significant proportion of our projects can be performed remotely. The Company has moved to remote working arrangements which are running smoothly, to ensure the safety of our staff and to enable our business to operate with minimal impact.

A significant portion of the Company's revenue is derived from multi-year contracts with customers with the services provided being critical to our customers' operations, hence limited immediate impact is expected on the Company's revenue stream. Given the nature of the outbreak and the on-going developments, at this time it is not possible to estimate the overall future impact to the Company.

17. APPROVAL OF FINANCIAL STATEMENTS

The Board of Directors approved and authorised for issue the Financial Statements in respect of the financial year ended 31 December 2019 on 12th November 2020.