

REGISTERED NUMBER: 04507284 (England and Wales)

Strategic Report, Report of the Directors and
Financial Statements for the Year Ended 31 December 2019
for
Souk Management Limited

Ward Divecha Limited
Chartered Accountants &
Statutory Auditors
29 Welbeck Street
London
W1G 8DA



Souk Management Limited (Registered number: 04507284)

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for the Year Ended 31 December 2019

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Souk Management Limited

Company Information
for the Year Ended 31 December 2019

DIRECTORS: Salim F Suterwalla
Fakhruddin T Suterwalla

SECRETARY: Fakhruddin T Suterwalla

REGISTERED OFFICE: 29 Welbeck street
London
W1G 8DA

REGISTERED NUMBER: 04507284 (England and Wales)

AUDITORS: Ward Divecha Limited
Chartered Accountants &
Statutory Auditors
29 Welbeck Street
London
W1G 8DA

Strategic Report
for the Year Ended 31 December 2019

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

REVIEW OF BUSINESS

Company turnover for the year 2019 was £151,095,598 (2018:£77,665,095). Profit for the financial year after taxation amounted to £7,826,314 (2018: Loss £2,168,863).

The directors of Souk Management Ltd manage all financial positions in the market.

The appropriate metric to measure performance is a risk adjusted comparison of portfolio returns on equity utilised. Due to the individual proprietary nature of investment strategies, a simple market benchmark performance comparison can only be an estimation. For the year ended 31st December 31 2019, return on equity is positive 40.55% (2018: 13.86% Negative).

The recovery in assets prices in early 2019, was captured in full and resulted in open positions at year end 2018 delivering on expectations the following year. As at December 31 2019, this would be considered a significant confirmation of the investment strategy's long term potential. The company with a full arsenal of accumulated equity capital, a sound track record of performance is now able to properly explore potential for a private label fund launch.

Market positioning remains the driver of profitability but the risk return profile will be significantly enhanced with divestment, and participation in new generation technological progress. Investment in IT and systems updates are first priority objectives.

Expectations for 2020 have changed significantly at time of writing, the company will adapt and act as required to manage unforeseen events. Details of the impact of Covid 19 are notarised separately.

Strategic Report
for the Year Ended 31 December 2019

PRINCIPAL RISKS AND UNCERTAINTIES

The principal activity of the Company outlined above gives rise to exposure to financial and operational risks in the ordinary course of business.

Management risks

As with similar sized businesses, the group is run by a small management team and is reliant on the members of its team. Careful selection of appropriate external partners and prioritising confidentiality in transactions are paramount requirements to ensure scale opportunities remain achievable.

Market risks

Market risk is the risk that the fair value of assets and financial liabilities change due to movement in market prices. This is a key requirement for any trading business, changes offer opportunities to profit. We monitor all exposures on a daily basis to ensure a good understanding of influencing factors, statistical analysis of error ranges and their impact on the company balance sheet.

Exchange rate fluctuations

A significant proportion of the company's trading is denominated in foreign currencies, particularly the US \$. The majority of positions are hedged to reduce the exposure to exchange rate fluctuation, which are reported through the profit and loss account.

Liquidity risks

Liquidity risk is the risk that we are unable to meet high value short notice payment obligations in the event of market volatility impacting portfolio realisation values. A significant risk for any trading business, which remains at the forefront of any position taking decision. We manage liquidity by modelling likely liquidity drawdowns, position with significant margin to allow for likely market volatility, monitor for funds flows with drawdown potential, negotiate strong credit terms in a forward manner, and maintain a sufficiently diversified portfolio of assets.

COVID-19 UNCERTAINTIES

During the finalisation of these accounts, the Coronavirus (COVID-19) outbreak has evolved into an unprecedented public health emergency in the UK and around the world, causing disruption to businesses and economic activity. The company considers this outbreak to be a non-adjusting post balance sheet event.

The situation remains dynamic as governments around the globe take unprecedented measures to slow the spread and mitigate the human tragedy. As the circumstances evolve rapidly, Management do consider it practicable to provide a quantitative measure of the potential impacts on the Company.

Extreme volatility during the month of March, has led to forced liquidation of a substantial proportion of the company's positions. A trading loss of approximately GBP 20m has been realised.

ON BEHALF OF THE BOARD:



Salim F Suterwalla - Director

31 July 2020

Report of the Directors
for the Year Ended 31 December 2019

The directors present their report with the financial statements of the company for the year ended 31 December 2019.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of trading on international financial exchanges.

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2019.

FUTURE DEVELOPMENTS

With increasing uncertainty in the path of interest rates and higher volatility in markets, future opportunities remain difficult to capture, we are however confident the business model will deliver significant market outperformance by capturing optimal risk reward opportunities.

DIRECTORS

The directors during the year under review were:

Salim F Suterwalla
Fakhruddin T Suterwalla

The beneficial interests of the directors holding office on 31 December 2019 in the issued share capital of the company were as follows:

	31.12.19	1.1.19
Ordinary share capital 1 shares		
Salim F Suterwalla	100,000	100,000
Fakhruddin T Suterwalla	-	-

GOING CONCERN

There has been a significant unprecedented impact of COVID 19 in the first quarter of 2020. The director has injected additional cash into the business to meet immediate funding calls, closed certain positions and realised losses on higher volatility positions.

The company has then re established trading lines, re positioned in markets, and with the market recovery is now able to operate at a normal capacity in all markets. The business has sufficient cash reserves.

The board has considered possible second wave stress case scenarios and its impact on the company's operations, financial positions and forecasts. The Director's injection of further funds to facilitate a potential fund launch has been delayed in order to ensure the company has sufficient spare funding capacity access to manage all scenarios.

The board considers it appropriate to adopt the on going basis of accounting in preparing these financial statements, having considered a period of at least 12 months from the approval of the financial statements.

Report of the Directors
for the Year Ended 31 December 2019

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Ward Divecha Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



Salim F Suterwalla - Director

31 July 2020

Report of the Independent Auditors to the Members of
Souk Management Limited

Opinion

We have audited the financial statements of Souk Management Limited (the 'company') for the year ended 31 December 2019 which comprise the Income Statement, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

Report of the Independent Auditors to the Members of
Souk Management Limited

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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors 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 the Report of the Directors.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page five, 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 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.

Auditors' 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 a Report of the Auditors 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 www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Report of the Independent Auditors to the Members of
Souk Management Limited

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 a Report of the Auditors 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.



Adil Divecha (Senior Statutory Auditor)
for and on behalf of Ward Divecha Limited
Chartered Accountants &
Statutory Auditors
29 Welbeck Street
London
W1G 8DA

31 July 2020

Souk Management Limited (Registered number: 04507284)

Income Statement
for the Year Ended 31 December 2019

	Notes	2019 £	2018 £
TURNOVER	3	151,095,598	77,665,095
Cost of sales		141,205,652	80,111,422
GROSS PROFIT/(LOSS)		9,889,946	(2,446,327)
Administrative expenses		251,730	284,609
		9,638,216	(2,730,936)
Other operating income		18,141	44,647
OPERATING PROFIT/(LOSS)	5	9,656,357	(2,686,289)
Interest receivable and similar income		5,759	597
PROFIT/(LOSS) BEFORE TAXATION		9,662,116	(2,685,692)
Tax on profit/(loss)	6	1,835,802	(516,829)
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		7,826,314	(2,168,863)

The notes form part of these financial statements

Souk Management Limited (Registered number: 04507284)

Other Comprehensive Income
for the Year Ended 31 December 2019

	Notes	2019 £	2018 £
PROFIT/(LOSS) FOR THE YEAR		7,826,314	(2,168,863)
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		7,826,314	(2,168,863)

The notes form part of these financial statements

Souk Management Limited (Registered number: 04507284)

Balance Sheet
31 December 2019

		2019		2018	
	Notes	£	£	£	£
FIXED ASSETS					
Tangible assets	8		1		1
CURRENT ASSETS					
Debtors	9	1,332,616		1,112,052	
Investments	10	104,118,236		82,869,322	
Cash at bank		203,839		136,574	
		105,654,691		84,117,948	
CREDITORS					
Amounts falling due within one year	11	91,105,417		77,394,988	
NET CURRENT ASSETS			14,549,274		6,722,960
TOTAL ASSETS LESS CURRENT LIABILITIES			14,549,275		6,722,961
CAPITAL AND RESERVES					
Called up share capital	13	100,000		100,000	
Retained earnings	14	14,449,275		6,622,961	
SHAREHOLDERS' FUNDS			14,549,275		6,722,961

The financial statements were approved by the Board of Directors and authorised for issue on 31 July 2020 and were signed on its behalf by:



Salim F Suterwalla - Director

The notes form part of these financial statements

Souk Management Limited (Registered number: 04507284)

Statement of Changes in Equity
for the Year Ended 31 December 2019

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 January 2018	100	8,891,824	8,891,924
Changes in equity			
Issue of share capital	99,900	-	99,900
Dividends	-	(100,000)	(100,000)
Total comprehensive income	-	(2,168,863)	(2,168,863)
Balance at 31 December 2018	<u>100,000</u>	<u>6,622,961</u>	<u>6,722,961</u>
Changes in equity			
Total comprehensive income	-	7,826,314	7,826,314
Balance at 31 December 2019	<u>100,000</u>	<u>14,449,275</u>	<u>14,549,275</u>

The notes form part of these financial statements

Souk Management Limited (Registered number: 04507284)**Cash Flow Statement**
for the Year Ended 31 December 2019

		2019	2018
	Notes	£	£
Cash flows from operating activities			
Cash generated from operations	1	9,217,839	(2,433,211)
Tax paid		-	(702,065)
Net cash from operating activities		9,217,839	(3,135,276)
Cash flows from investing activities			
Purchase of structured notes and bonds		(21,248,914)	-
Sale of structured notes and bonds		-	1,309,005
Interest received		5,759	597
Net cash from investing activities		(21,243,155)	1,309,602
Cash flows from financing activities			
New loans in year		12,092,581	1,546,582
Share issue		-	99,900
Equity dividends paid		-	(100,000)
Net cash from financing activities		12,092,581	1,546,482
Increase/(decrease) in cash and cash equivalents		67,265	(279,192)
Cash and cash equivalents at beginning of year	2	136,574	415,766
Cash and cash equivalents at end of year	2	203,839	136,574

The notes form part of these financial statements

Notes to the Cash Flow Statement
for the Year Ended 31 December 2019

1. RECONCILIATION OF PROFIT/(LOSS) BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2019	2018
	£	£
Profit/(loss) before taxation	9,662,116	(2,685,692)
Depreciation charges	-	389
Finance income	(5,759)	(597)
	9,656,357	(2,685,900)
(Increase)/decrease in trade and other debtors	(220,564)	50,134
(Decrease)/increase in trade and other creditors	(217,954)	202,555
Cash generated from operations	9,217,839	(2,433,211)

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 December 2019

	31.12.19	1.1.19
	£	£
Cash and cash equivalents	203,839	136,574

Year ended 31 December 2018

	31.12.18	1.1.18
	£	£
Cash and cash equivalents	136,574	415,770
Bank overdrafts	-	(4)
	136,574	415,766

Notes to the Cash Flow Statement
for the Year Ended 31 December 2019

3. ANALYSIS OF CHANGES IN NET FUNDS/(DEBT)

	At 1.1.19 £	Cash flow £	At 31.12.19 £
Net cash			
Cash at bank	136,574	67,265	203,839
	<u>136,574</u>	<u>67,265</u>	<u>203,839</u>
 Liquid resources			
Current asset investments	82,869,322	21,248,914	104,118,236
	<u>82,869,322</u>	<u>21,248,914</u>	<u>104,118,236</u>
 Debt			
Debts falling due within 1 year	(67,635,104)	(12,092,581)	(79,727,685)
	<u>(67,635,104)</u>	<u>(12,092,581)</u>	<u>(79,727,685)</u>
 Total	<u>15,370,792</u>	<u>9,223,598</u>	<u>24,594,390</u>

Notes to the Financial Statements
for the Year Ended 31 December 2019

1. STATUTORY INFORMATION

Souk Management Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been 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.

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

The financial statements have been prepared under the historical cost convention as modified by the fair value of investments and in accordance with the accounting policies set out below.

Revenue recognition

Revenue arises from trading in fixed income, equity and foreign exchange instruments on international financial exchanges. The company does not follow a formal hedge accounting policy. Turnover incorporates the underlying value of the contracts of all futures and options. On that premise, the company's turnover is the sum of the gross value of traded instruments, and physical value of assets bought and sold.

Tangible fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Fixtures & Fittings	-15% straight line
Computer Equipment	-33% on cost

Notes to the Financial Statements - continued
for the Year Ended 31 December 2019

2. ACCOUNTING POLICIES - continued

Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets such as investment, cash and debtors are measured at the present value of the amounts receivable, less an allowance for the expected level of doubtful receivables.

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

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

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

Financial liabilities such as trade creditors, loans and finance leases are measured at the present value of the obligation. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2019

2. ACCOUNTING POLICIES - continued

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Going concern

There has been a significant unprecedented impact of COVID 19 in the first quarter of 2020. The director has injected additional cash into the business to meet immediate funding calls, closed certain positions and realised losses on higher volatility positions.

The company has then re established trading lines, re positioned in markets, and with the market recovery is now able to operate at a normal capacity in all markets. The business has sufficient cash reserves.

The board has considered possible second wave stress case scenarios and its impact on the company's operations, financial positions and forecasts. The Director's injection of further funds to facilitate a potential fund launch has been delayed in order to ensure the company has sufficient spare funding capacity access to manage all scenarios.

The board considers it appropriate to adopt the on going basis of accounting in preparing these financial statements, having considered a period of at least 12 months from the approval of the financial statements.

Foreign currencies

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at yearend rate or at the date of transaction. Any exchange differences are taken into account in arriving at the operating result.

Employee benefits

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

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

Structured notes, bonds and future contracts

Financial instruments such as structured notes, bonds and futures contracts generate income from both interest coupons and asset price revaluation. Amounts booked to the profit and loss account include coupon since purchase date as well as the current market price revaluation differential.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2019

2. ACCOUNTING POLICIES - continued

Leasing commitments

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts, when applicable, are shown within borrowings in current liabilities.

3. TURNOVER

The turnover and profit (2018 - loss) before taxation are attributable to the one principal activity of the company.

An analysis of turnover by class of business is given below:

	2019	2018
	£	£
Coupon interest	4,770,168	4,834,864
Sale of structured notes/bonds	145,383,419	58,576,605
Sale of future contracts	317,916	14,253,626
Sale of foreign currency	624,095	-
	<u>151,095,598</u>	<u>77,665,095</u>

4. EMPLOYEES AND DIRECTORS

	2019	2018
	£	£
Wages and salaries	48,000	48,000
Social security costs	5,440	5,752
	<u>53,440</u>	<u>53,752</u>

The average number of employees during the year was as follows:

	2019	2018
Management	<u>1</u>	<u>1</u>
	2019	2018
	£	£
Directors' remuneration	<u>48,000</u>	<u>48,000</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2019

5. OPERATING PROFIT/(LOSS)

The operating profit (2018 - operating loss) is stated after charging:

	2019	2018
	£	£
Depreciation - owned assets	-	389
Auditors' remuneration	4,000	4,000
Other non- audit services	5,600	5,600
Foreign exchange differences	1,032	-
Operating lease costs	46,109	48,573

6. TAXATION

Analysis of the tax charge/(credit)

The tax charge/(credit) on the profit for the year was as follows:

	2019	2018
	£	£
Current tax:		
UK corporation tax	1,835,802	(516,829)
Tax on profit/(loss)	1,835,802	(516,829)

Reconciliation of total tax charge/(credit) included in profit and loss

The tax assessed for the year is the same as the standard rate of corporation tax in the UK.

	2019	2018
	£	£
Profit/(loss) before tax	9,662,116	(2,685,692)
Profit/(loss) multiplied by the standard rate of corporation tax in the UK of 19% (2018 - 19.250%)	1,835,802	(516,996)
Effects of:		
Expenses not deductible for tax purposes	-	92
Depreciation in excess of capital allowances	-	75
year		
Total tax charge/(credit)	1,835,802	(516,829)

Notes to the Financial Statements - continued
for the Year Ended 31 December 2019

7. DIVIDENDS

	2019	2018
	£	£
Ordinary share capital shares of 1 each		
Final	-	50,000
Interim	-	50,000
	<u>-</u>	<u>100,000</u>

8. TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Computer equipment £	Totals £
COST			
At 1 January 2019 and 31 December 2019	<u>267</u>	<u>7,053</u>	<u>7,320</u>
DEPRECIATION			
At 1 January 2019 and 31 December 2019	<u>266</u>	<u>7,053</u>	<u>7,319</u>
NET BOOK VALUE			
At 31 December 2019	<u>1</u>	<u>-</u>	<u>1</u>
At 31 December 2018	<u>1</u>	<u>-</u>	<u>1</u>

9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019	2018
	£	£
Other debtors	5,707	5,707
Sundry	2,998	3,261
Tax	516,829	516,829
Prepayments and accrued income	807,082	586,255
	<u>1,332,616</u>	<u>1,112,052</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2019

10. CURRENT ASSET INVESTMENTS

	2019	2018
	£	£
Call deposit account	5,602,205	35,855
Structured notes & Investment bonds	98,516,031	82,833,467
	<u>104,118,236</u>	<u>82,869,322</u>

All equity, fixed income and investment bonds are shown at market value as at the balance sheet date.
All the structured products are shown at fair value.

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019	2018
	£	£
Other loans (see note 12)	79,727,685	67,635,104
Tax	1,835,802	-
Social security and other taxes	-	284
Other creditors	9,504,570	9,750,000
Accrued expenses	37,360	9,600
	<u>91,105,417</u>	<u>77,394,988</u>

Other creditors relates to a loan from the director of £9,500,000 (2018:£9,750,000). This is non-interest bearing and has no fixed repayment terms.

12. LOANS

An analysis of the maturity of loans is given below:

	2019	2018
	£	£
Amounts falling due within one year or on demand:		
Time loan	<u>79,727,685</u>	<u>67,635,104</u>

Time loan represents the additional funds required to finance positions in financial instruments.

13. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2019	2018
			£	£
100,000	Ordinary share capital	1	<u>100,000</u>	<u>100,000</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2019

14. RESERVES

	Retained earnings £
At 1 January 2019	6,622,961
Profit for the year	7,826,314
	<hr/>
At 31 December 2019	<u>14,449,275</u>

15. RELATED PARTY DISCLOSURES

As at 31st December 2019 loans are outstanding for the following directors:

Mr Salim Suterwalla

Opening balance	(£9,750,000)
repaid during the year	£250,000
	<hr/>
Closing balance	(£9,500,000)

16. CONTROLLING PARTY

The Director, Mr Salim F Suterwalla, is controlling party by virtue of his shareholdings throughout the current and previous year.

17. NON ADJUSTING EVENTS AFTER THE FINANCIAL PERIOD

During the finalisation of these accounts, the Coronavirus (COVID-19) outbreak has evolved into an unprecedented public health emergency in the UK and around the world, causing disruption to businesses and economic activity and the crash of stock markets to the level never seen before.

The director has injected additional cash into the business to meet immediate funding calls, closed substantial proportion of the company's positions and realised losses on higher volatility positions. Management consider it practicable to provide a quantitative measure of the potential impacts. A trading loss of approximately GBP 20m has been incurred.