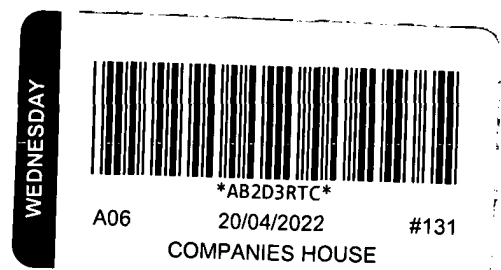


REGISTERED NUMBER: 04507284 (England and Wales)

**STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021
FOR
SOUK MANAGEMENT LIMITED**

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



**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Page
Company Information	1
Strategic Report	2
Report of the Directors	4
Report of the Independent Auditors	6
Income Statement	10
Other Comprehensive Income	11
Balance Sheet	12
Statement of Changes in Equity	13
Cash Flow Statement	14
Notes to the Cash Flow Statement	15
Notes to the Financial Statements	17

SOUK MANAGEMENT LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2021**

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 2021**

The directors present their strategic report for the year ended 31 December 2021.

REVIEW OF BUSINESS

Company turnover for the year 2021 was £83,097,676 (2020 :£117,625,199). Loss for the financial year after taxation amounted to £596,283 (2020 : Loss £12,262,224).

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 2021, return on equity is negative 2.1% (2020: 50.21% Negative).

During the year performance has been below expectation. Pandemic impact on positioning being fully mitigated, the company was able to reposition to take advantage of the recovery in the markets. Unforeseen geo-political developments in the Chinese real estate sector resulted in catastrophe type price destruction eroding all other positive returns.

The business model is being tested, conditions in the banking sector appear to favour lower volumes with fatter margins, resulting in weaker credit and pricing terms. Market conditions have required lower borrowing and shorter-term consensus on positioning. This is directly impacting returns. Adjustments have been made in light of these conditions. The basic constituents are still delivering substantial outperformance but an improved solution will require focus on winning strategies, adjusting positioning to allow for faster responses and a concentrated focus on managing relationships.

Risk controls remain in place to ensure the company balance sheet can withstand all market conditions.

Markets are evolving and strong influences from new technology are altering market function. Crypto currencies have become an extra market class, algorithmic analysis is permitting higher forecasts variances and accepted outcomes, metaverse technology is altering interaction patterns and decision making. Simultaneously ESG based judgements are changing profit motivations. We are cognisant of the requirement to participate and act to continuously develop a full understanding of conditions and their impact. The company will position and invest to ensure these opportunities remains accessible.

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021**

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.

ON BEHALF OF THE BOARD:



.....
Salim F Suterwalla - Director

Date: 13 April 22

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2021**

The directors present their report with the financial statements of the company for the year ended 31 December 2021.

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 2021.

FUTURE DEVELOPMENTS

Substantial geopolitical and economic forecast risk remain on the horizon, technological advancements are altering traditional thinking, this may lead to increased volatility but also abundant opportunities to profit. These may arise in both new and traditional asset classes. The company is ready and positioned to capture and capitalize on optimally priced risk reward trades.

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 2021 in the issued share capital of the company were as follows:

	31.12.21	1.1.21
Ordinary share capital 1 shares		
Salim F Suterwalla	100,000	100,000
Fakhruddin T Suterwalla	-	-

GOING CONCERN

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 2021**

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

Date: 15 April 22

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 2021 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 2021 and of its loss 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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 this gives rise to a material misstatement in the financial statements themselves. 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.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF SOUK MANAGEMENT LIMITED

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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatements in respect of irregularities, including fraud and non-compliance and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance including the design of company's remuneration policies, key drivers for directors' remuneration, bonus levels and performance targets.
- results of our enquiries of management about their own identification and assessment of the risks and irregularities;
- any matters we identified having obtained and reviewed the company's documentation of their policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
- the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified that greatest potential for fraud is revenue recognition. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory framework that the company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context include the UK Companies Act, pension legislation and tax legislation.

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.

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

Date: 19/04/2022

**INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Notes	2021 £	2020 £
TURNOVER	3	83,097,676	117,625,199
Cost of sales		<u>83,532,990</u>	<u>131,732,464</u>
GROSS LOSS		(435,314)	(14,107,265)
Administrative expenses		<u>337,186</u>	<u>319,474</u>
		(772,500)	(14,426,739)
Other operating income		<u>176,113</u>	<u>322,631</u>
OPERATING LOSS	5	(596,387)	(14,104,108)
Interest receivable and similar income		<u>104</u>	<u>6,082</u>
LOSS BEFORE TAXATION		(596,283)	(14,098,026)
Tax on loss	6	<u>-</u>	<u>(1,835,802)</u>
LOSS FOR THE FINANCIAL YEAR		<u>(596,283)</u>	<u>(12,262,224)</u>

The notes form part of these financial statements

**OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Notes	2021 £	2020 £
LOSS FOR THE YEAR		(596,283)	(12,262,224)
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		(596,283)	(12,262,224)


The notes form part of these financial statements

SOUK MANAGEMENT LIMITED (REGISTERED NUMBER: 04507284)

**BALANCE SHEET
31 DECEMBER 2021**

	Notes	2021 £	2020 £
FIXED ASSETS			
Tangible assets	7	2,329	1
CURRENT ASSETS			
Debtors	8	310,380	287,525
Investments	9	39,003,575	51,437,869
Cash at bank		235,053	311,676
		<u>39,549,008</u>	<u>52,037,070</u>
CREDITORS			
Amounts falling due within one year	10	<u>33,089,369</u>	<u>44,977,620</u>
NET CURRENT ASSETS		<u>6,459,639</u>	<u>7,059,450</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>6,461,968</u>	<u>7,059,451</u>
CREDITORS			
Amounts falling due after more than one year	11	<u>4,771,200</u>	<u>4,772,400</u>
NET ASSETS		<u><u>1,690,768</u></u>	<u><u>2,287,051</u></u>
CAPITAL AND RESERVES			
Called up share capital	13	100,000	100,000
Retained earnings	14	<u>1,590,768</u>	<u>2,187,051</u>
SHAREHOLDERS' FUNDS		<u><u>1,690,768</u></u>	<u><u>2,287,051</u></u>

The financial statements were approved by the Board of Directors and authorised for issue on 13 April 22 and were signed on its behalf by:


.....
Salim F Suterwalla - Director

The notes form part of these financial statements

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 January 2020	100,000	14,449,275	14,549,275
Changes in equity			
Total comprehensive income	-	(12,262,224)	(12,262,224)
Balance at 31 December 2020	100,000	2,187,051	2,287,051
Changes in equity			
Total comprehensive income	-	(596,283)	(596,283)
Balance at 31 December 2021	100,000	1,590,768	1,690,768

The notes form part of these financial statements

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Notes	2021 £	2020 £
Cash flows from operating activities			
Cash generated from operations	1	(10,695,575)	(7,696,431)
Tax paid		-	516,829
Net cash from operating activities		(10,695,575)	(7,179,602)
Cash flows from investing activities			
Purchase of tangible fixed assets		(3,494)	-
Sale of tangible fixed assets		1	-
Sale of structured notes and bonds		12,434,294	52,680,367
Interest received		104	6,082
Net cash from investing activities		12,430,905	52,686,449
Cash flows from financing activities			
New loans in year		-	4,772,400
Loan repayments in year		(1,811,953)	(50,171,410)
Net cash from financing activities		(1,811,953)	(45,399,010)
(Decrease)/increase in cash and cash equivalents		(76,623)	107,837
Cash and cash equivalents at beginning of year	2	311,676	203,839
Cash and cash equivalents at end of year	2	235,053	311,676

The notes form part of these financial statements

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021**

1. RECONCILIATION OF LOSS BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2021	2020
	£	£
Loss before taxation	(596,283)	(14,098,026)
Depreciation charges	1,165	-
Finance income	(104)	(6,082)
	(595,222)	(14,104,108)
(Increase)/decrease in trade and other debtors	(22,855)	528,262
(Decrease)/increase in trade and other creditors	(10,077,498)	5,879,415
Cash generated from operations	<u>(10,695,575)</u>	<u>(7,696,431)</u>

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 2021

	31.12.21	1.1.21
	£	£
Cash and cash equivalents	<u>235,053</u>	<u>311,676</u>

Year ended 31 December 2020

	31.12.20	1.1.20
	£	£
Cash and cash equivalents	<u>311,676</u>	<u>203,839</u>

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021**

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

	At 1.1.21 £	Cash flow £	At 31.12.21 £
Net cash			
Cash at bank	311,676	(76,623)	235,053
	<u>311,676</u>	<u>(76,623)</u>	<u>235,053</u>
 Liquid resources			
Current asset investments	51,437,869	(12,434,294)	39,003,575
	<u>51,437,869</u>	<u>(12,434,294)</u>	<u>39,003,575</u>
 Debt			
Debts falling due within 1 year	(29,556,275)	1,810,753	(27,745,522)
Debts falling due after 1 year	(4,772,400)	1,200	(4,771,200)
	<u>(34,328,675)</u>	<u>1,811,953</u>	<u>(32,516,722)</u>
 Total	<u>17,420,870</u>	<u>(10,698,964)</u>	<u>6,721,906</u>

The notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

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 2021

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 2021**

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

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.

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.

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021**

3. TURNOVER

The turnover and loss before taxation are attributable to the one principal activity of the company.

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

	2021	2020
	£	£
Coupon interest	2,191,936	2,019,096
Sale of structured notes/bonds	64,065,914	115,606,103
Sale of future contracts	16,839,826	-
	<u>83,097,676</u>	<u>117,625,199</u>

4. EMPLOYEES AND DIRECTORS

	2021	2020
	£	£
Wages and salaries	48,000	48,000
Social security costs	5,406	5,417
	<u>53,406</u>	<u>53,417</u>

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

	2021	2020
Management	<u>1</u>	<u>1</u>

	2021	2020
	£	£
Directors' remuneration	<u>48,000</u>	<u>48,000</u>

5. OPERATING LOSS

The operating loss is stated after charging/(crediting):

	2021	2020
	£	£
Depreciation - owned assets	1,165	-
Auditors' remuneration	5,600	5,600
Other non-audit services	8,400	8,400
Foreign exchange differences	-	(21,478)
Operating lease costs	<u>41,569</u>	<u>45,733</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

6. TAXATION

Analysis of the tax credit

The tax credit on the loss for the year was as follows:

	2021 £	2020 £
Current tax:		
Over-provision of corporation tax in prior year	-	(1,835,802)
Tax on loss	-	(1,835,802)

7. TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Computer equipment £	Totals £
COST			
At 1 January 2021	267	7,053	7,320
Additions	-	3,494	3,494
Disposals	(267)	(2,366)	(2,633)
At 31 December 2021	-	8,181	8,181
DEPRECIATION			
At 1 January 2021	266	7,053	7,319
Charge for year	-	1,165	1,165
Eliminated on disposal	(266)	(2,366)	(2,632)
At 31 December 2021	-	5,852	5,852
NET BOOK VALUE			
At 31 December 2021	-	2,329	2,329
At 31 December 2020	1	-	1

8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Other debtors	4,400	5,707
Sundry	1,320	3,042
Prepayments and accrued income	304,660	278,776
	310,380	287,525

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

9. CURRENT ASSET INVESTMENTS

	2021	2020
	£	£
Call deposit account	306,486	3,785,809
Structured notes & Investment bonds	38,697,089	47,652,060
	<u>39,003,575</u>	<u>51,437,869</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.

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Other loans (see note 12)	27,745,522	29,556,275
Trade creditors	-	7,315,287
Other creditors	5,224,371	7,987,327
Accrued expenses	119,476	118,731
	<u>33,089,369</u>	<u>44,977,620</u>

Other creditors relates to a loan from the director of £5,017,856 (2020:£7,780,000). This is non-interest bearing and has no fixed repayment terms.

11. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2021	2020
	£	£
Other loans (see note 12)	<u>4,771,200</u>	<u>4,772,400</u>

Other creditors relates to a loan from other related party where Salim Suterwalla is also a director and 100% shareholder. 3% per annum will be charged on the outstanding amount and has no fixed repayment terms. The director has confirmed that repayment will not be sought within one year of the balance sheet date.

12. LOANS

An analysis of the maturity of loans is given below:

	2021	2020
	£	£
Amounts falling due within one year or on demand:		
Time loan	<u>27,745,522</u>	<u>29,556,275</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

12. LOANS - continued

	2021 £	2020 £
Amounts falling due between two and five years:		
Other loans - 2-5 years	<u>4,771,200</u>	<u>4,772,400</u>

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

13. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			2021 £	2020 £
Number:	Class:	Nominal value:		
100,000	Ordinary share capital	1	<u>100,000</u>	<u>100,000</u>

14. RESERVES

	Retained earnings £
At 1 January 2021	2,187,051
Deficit for the year	(596,283)
At 31 December 2021	<u>1,590,768</u>

15. RELATED PARTY DISCLOSURES

As at 31st December 2021 loans are outstanding for the following directors:

<u>Mr Salim Suterwalla</u>	
Opening balance	(£7,780,000)
Decrease during the year	<u>£2,762,144</u>
Closing balance	5,017,856

16. CONTROLLING PARTY

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