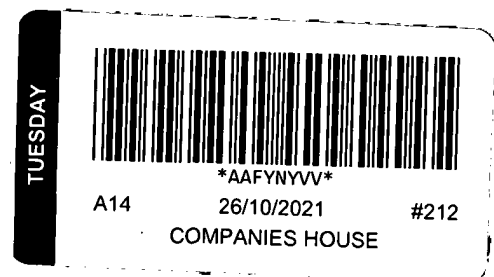


Registered No: 4610337

**Caxton FX Limited**

**Annual report and audited financial statements**

**For the year ended 28 February 2021**



## **Contents of the annual report and audited financial statements**

	Page
<b>Company information</b>	2
<b>Strategic report</b>	3-5
<b>Directors' report</b>	6-7
<b>Statement of Directors' responsibilities</b>	8
<b>Independent auditor's report</b>	9-11
<b>Group Statement of comprehensive income</b>	12
<b>Group Statement of financial position</b>	13
<b>Company Statement of financial Position</b>	14
<b>Group Statement of changes in equity</b>	15
<b>Company Statement of changes in equity</b>	16
<b>Group Statement of cash flows</b>	17
<b>Notes to the financial statements</b>	18-40

---

## **Company information**

### **Directors**

R K Alexander  
T M Cooke  
R A Lee-Browne  
J E Peerless  
T S Price

### **Secretary**

T S Price

### **Registered Office**

30 St Mary Axe  
London  
EC3A 8BF

### **Independent Auditor**

MHA MacIntyre Hudson  
6<sup>th</sup> Floor  
2 London Wall Place  
London  
EC2Y 5AU

## Strategic report

### For the year ended 28 February 2021

The board of directors ("the directors") present their Strategic report together with the audited financial statements of Caxton FX Limited (the "Company") and Caxton FX Bond plc ("Caxton Bond") (together the "Caxton Group") for the year ended 28 February 2021.

#### Strategic review of the business

The Caxton Group has experienced a turbulent year due the global pandemic. Like all companies engaged in the international travel sector, demand for the company's travel related products fell dramatically in March 2020 without recovering to any great extent within the year. Overall for the group, revenue fell by 38% in the year ended 28 February 2021 compared to year ended 29 February 2020, and a final post-tax loss was generated. During the year the directors undertook precautionary cost cutting measures, which has resulted in staff costs reducing by 42% to £3.1m and other administration expenses by 42% to £5.1m. Whilst revenues related to travel services are anticipated to return in due course, new revenue streams are also being developed to ensure that The Caxton Group is well placed to return to strong profitability during the year ended 28 February 2022. The results for the year are set out on page 12.

The key performance indicators are described below:

	2021	2020	% change
Revenue	£8.4m	£13.6m	(38)%
Administration expenses	£5.1m	£8.8m	(42)%
<b>EBITDA</b>	<b>£1.3m</b>	<b>£2.0m</b>	<b>(34)%</b>

(EBITDA is adjusted for foreign exchange rate movements and non-recurring internal restructuring costs).

#### Principal risks and uncertainties

The main risks and uncertainties faced by the Caxton Group are to maintain sufficient revenues so that the Caxton Group can pay its expenses and liabilities, as well as generate a profit for shareholders. This involves the Caxton Group maintaining and developing its business activities and customer base.

The Caxton Group is subject to counterparty risk as the Caxton Group relies on third party institutions in order to trade and clear settlement funds through client accounts. The Caxton Group has established trading and settlement lines with institutional counterparties and monitors the risk on an ongoing basis to ensure any withdrawal of services from banking providers will have a negligible effect on the business.

The directors consider that market, liquidity, operational and regulatory risk have a significant impact on the Caxton Group.

#### COVID-19

The Directors expect the continued impact on the group and company from the COVID-19 pandemic to be short to medium term and anticipate that the action taken during the year ended 28 February 2021 will put the group in a strong position to react to changes in demand.

## **Strategic report (continued)**

### **For the year ended 28 February 2021**

#### **Section 172 (1) statement**

Section 172 of the Companies Act 2006 requires a director of an entity to act in the way they consider, in good faith, would be most likely to promote the success of the entity for the benefit of its members as a whole. As part of their deliberations and decision making process, the Directors take into account the following:

- (i) likely consequences of any decision in the long term;
- (ii) the interests of the group's employees;
- (iii) the need to foster the group's business relationships with suppliers, customers and others;
- (iv) the impact of the group's operations on the community and the environment;
- (v) the desirability of the entity maintaining a reputation for high standards of business conduct and the need to comply with the rules of the Company's regulator, the UK Financial Conduct Authority;

#### **Stakeholders**

The directors understands the importance of engagement with all of its stakeholders and gives appropriate weighting to the outcome of its decisions for the relevant stakeholder in weighing up how best to promote the success of the group. The board of directors regularly discusses issues concerning customers, supplies employees, community and environment, regulators and its shareholders, which it takes into account in its discussions and in its decision-making process. In addition to this, the board of directors seeks to understand the interests and views of the group's stakeholders by engaging with them directly when required. The below summarises the key stakeholders and how the directors engage with each:

##### **Customers**

The board of directors is in regular contact with existing and potential customers, to obtain feedback on matters such as product quality and customer service. Caxton's Group customer relations team is critical to ensuring long term customer satisfaction through communication and product improvement

##### **Suppliers**

The Caxton Group work with a range of suppliers and remain committed to being fair and transparent in dealings with all of those suppliers and the Caxton Group has procedures in place requiring due diligence of suppliers. The Caxton Group also has systems and processes in place to ensure supplies are paid in a timely manner

##### **Employees**

The Caxton Group has a well-established management reporting structure which encourages employee engagement in an open working environment. The board of directors is responsible for ensuring that this structure enables effective communication and feedback between employees and management.

##### **Community and environment**

The board of directors is aware of the impact its activities can have on the environment and is committed to minimising our environmental footprint.

## **Strategic report (continued)**

### **For the year ended 28 February 2021**

#### **Regulators**

The Caxton Group works with its regulators in an open and proactive manner to help develop processes and controls that meet the needs of all the stakeholders. The board of directors' intention is to behave responsibly and to ensure that the management team operates the business in a responsible manner, acting with the high standards and good governance expected of a regulated business. In doing so, the directors believe they will achieve the long-term business strategies and further develop the Caxton Group's reputation.

#### **Shareholders**

The board of directors also seeks to behave in a responsible manner towards the shareholders. The board of directors communicates information relevant to the shareholders, such as financial reporting.

As a result of these activities, the directors believe that they have demonstrated compliance with their legal duty under s.172 of the Companies Act 2006.

This report was approved by the board on 23 June 2021 and signed on its behalf by:



T S Price  
Director

23 June 2021

## **Directors' report**

### **For the year ended 28 February 2021**

The Directors present their report and the audited financial statements for the year ended 28 February 2021 of Caxton FX Limited (the "Company") and Caxton FX Bond plc ("Caxton Bond") (together the "Caxton Group") for the year ended 28 February 2021.

#### **Directors**

The Directors who served during the year ended 28 February 2021 and up to the date of approval of this report were:

R K Alexander  
T M Cooke  
R A Lee-Browne  
J E Peerless  
T S Price

#### **Results and dividends**

The results for the year are set out on page 12. No dividend has been paid or proposed in respect of the year ended 28 February 2021 (2020: £1,501,210).

#### **Future developments**

The board's continued strategy is to build upon its existing client relationships to increase sales as the lockdown begins to ease and worldwide travel gets back towards pre-pandemic levels. The Company is also continuing to deliver COVID tests to bolster revenue.

#### **Independent Auditor**

During the year ended 28 February 2021 MHA Macintyre Hudson was appointed auditor. MHA Macintyre Hudson has indicated a willingness to continue in office and is deemed to be reappointed under section 485 of the Companies Act 2006

#### **Pillar 3 disclosures**

The disclosures required under the Capital Requirements Directive, known as the Pillar 3 disclosures, can be obtained from the Company's offices at 30 St Mary Axe, London, England, EC3A 8BF.

#### **Disclosure of information to the Company's auditor**

Each of the persons who is a Director at the time when this Directors' Report is approved confirmed that:

- so far as the Directors are aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the Directors have taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

**Directors' report (continued)**  
**For the year ended 28 February 2021**

**Going concern**

The directors have carefully considered the adoption of the going concern concept in preparing the financial statements, particularly in light of the effects of the COVID-19 pandemic.

The directors conclude that the Caxton Group has sufficient liquid resources, ongoing contracts and shareholder support to enable the Caxton Group to meet its liabilities and pay its expenses for a period of at least twelve months from the date of approval of the financial statements.

The directors have concluded that there are no material uncertainties that may cast significant doubt about the Group or Company's ability to continue as a going concern. Accordingly, the going concern basis has been adopted in preparing the financial statements.

This report was approved by the board on 23 June 2021 and signed on its behalf by:



T.S. Price  
Director

23 June 2021



## **Directors' Responsibilities Statement**

### **For the year ended 28 February 2021**

The Directors are responsible for preparing the Strategic report, the Directors' report and the financial statements of the Company 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 its results for the period. In preparing the 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 accounting standards have been followed, subject to material departures being disclosed and explained in the financial statements; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors have confirmed that they have complied with the above requirements in preparing the financial statements.

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 to 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.

## **Independent auditor's report to the members of Caxton FX Limited**

### **Opinion**

We have audited the financial statements of Caxton FX Limited Limited (the 'Company') and its subsidiary (together the 'Group') for the year ended 28 February 2021 which comprise the Consolidated Statement of Income, Group and Company Statements of Financial Position, Group and Company Statements of Changes in Equity, Group Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 Group's and of the Company's affairs as at 28 February 2021, and of the Group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

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

## **Independent auditor's report to the members of Caxton FX Limited (continued)**



### **Other information**

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Opinions on 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 Group Strategic report and Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic report and Directors' report has been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the Group and Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic report and 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 returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of Directors**

As explained more fully in the Directors' responsibilities statement set out on page 8, 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 Group and 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.

## Independent auditor's report to the members of Caxton FX Limited (continued)



### 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- enquiry of management, those charged with governance, around actual and potential litigation and claims;
- enquiry of entity staff in tax and compliance functions to identify any instances of non-compliance with laws and regulations;
- performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias;
- reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation

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/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

A handwritten signature in black ink, appearing to read 'David King'.

David King (Senior Statutory Auditor)

For and on behalf of:  
MHA MacIntyre Hudson  
Chartered Accountants and Statutory Auditors  
London, United Kingdom

24 June 2021

## Group Statement of comprehensive income

### For the year ended 28 February 2021

	Note	2021 £	2020 £
<b>Revenue</b>	4	8,374,545	13,636,709
<b>Cost of sales</b>		(1,866,613)	(2,829,106)
<b>Gross Profit</b>		6,507,932	10,807,603
Administrative expenses	5	(5,161,834)	(8,760,610)
<b>EBITDA (Earnings before interest, tax, depreciation, amortisation and non-recurring restructuring costs)</b>		<b>1,346,098</b>	<b>2,046,993</b>
Amortisation		(6,704)	(6,704)
Depreciation		(1,239,877)	(1,033,311)
Foreign exchange differences		(19,235)	(88,655)
Non-recurring restructuring expenses		(417,382)	(366,866)
<b>Operating (loss)/profit</b>		<b>(337,100)</b>	<b>551,457</b>
Interest receivable and similar income		22,612	116,592
Interest payable and similar expenses		(495,974)	(524,971)
<b>(Loss)/profit before taxation</b>	6	<b>(810,462)</b>	<b>143,078</b>
<b>Tax charge</b>	11	<b>119,520</b>	<b>189,969</b>
<b>Retained (loss)/profit for the year</b>		<b>(690,942)</b>	<b>333,047</b>
Retained profits as at 1 March		2,523,799	3,770,703
Retained (loss)/profit for the year		(690,942)	333,047
Dividends paid		-	(1,501,210)
Redemption of shares		-	(78,741)
<b>Retained profits as at 28 February</b>		<b>1,832,857</b>	<b>2,523,799</b>

All amounts relate to continuing operations and is fully attributable to the owners of the parent company.

There were no items of comprehensive income for the years ended 28 February 2021 and 29 February 2020 other than those included in the Statement of comprehensive income above.

The notes on pages 18 to 40 form part of these financial statements.

**Group Statement of financial position****As at 28 February 2021**

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Goodwill	13	67,045	73,749
Tangible assets	14	35,662	4,471,840
		<u>102,707</u>	<u>4,545,589</u>
<b>Current assets</b>			
Stocks	18	96,689	44,333
Debtors	19	20,848,248	42,315,883
Loan receivable	27	4,100,000	-
Cash at bank and in hand		2,675,129	2,922,217
		<u>27,720,066</u>	<u>45,282,433</u>
<b>Creditors: amounts falling due within one year</b>	20	<u>(21,757,112)</u>	<u>(41,658,930)</u>
<b>Net current assets</b>		<b>5,962,954</b>	<b>3,623,503</b>
<b>Total assets less current liabilities</b>		<b>6,065,661</b>	<b>8,169,092</b>
<b>Creditors: amounts falling due after one year</b>	21	(4,013,348)	(4,810,552)
Provisions for liabilities and charges	22	(37,369)	(652,654)
<b>Net assets</b>		<u>2,014,944</u>	<u>2,705,886</u>
<b>Capital and reserves</b>			
Called up share capital	25	1,231	1,231
Share premium account		180,499	180,499
Capital redemption reserve		357	357
Retained earnings		1,832,857	2,523,799
<b>Total equity</b>		<u>2,014,944</u>	<u>2,705,886</u>

The financial statements were approved by the Board of Directors and authorised for issue on 23 June 2021 and signed on its behalf by:



T S Price  
Director

23 June 2021

The notes on pages 18 to 40 form part of these financial statements.

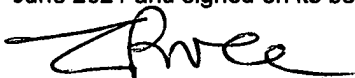
## Company Statement of financial position

As at 28 February 2021

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Goodwill	13	67,045	73,749
Tangible assets	14	35,662	4,471,840
Investments	15	50,000	50,089
		<u>152,707</u>	<u>4,595,678</u>
<b>Current assets</b>			
Stocks	18	96,689	44,333
Debtors	19	20,790,034	42,249,698
Cash at bank		2,660,159	2,792,286
		<u>23,546,882</u>	<u>45,086,317</u>
<b>Creditors: amounts falling due within one year</b>	20	(21,643,403)	(46,025,481)
<b>Net current assets/(liabilities)</b>		<u>1,903,479</u>	<u>(939,164)</u>
<b>Total assets less current liabilities</b>		<b>2,056,186</b>	<b>3,656,514</b>
Creditors: amounts falling due after one year	21	-	(758,552)
Provisions for liabilities	22	(37,369)	(652,654)
<b>Net assets</b>		<u>2,018,817</u>	<u>2,245,308</u>
<b>Capital and reserves</b>			
Called up share capital	25	1,231	1,231
Share premium account		180,499	180,499
Capital redemption reserve		357	357
Retained earnings		1,836,730	2,063,221
<b>Total equity</b>		<u>2,018,817</u>	<u>2,245,308</u>

As permitted by s408 Companies Act 2006, the Company has not presented its own profit and loss account and related notes. The Company's loss for year ended 28 February 2021 was £646,491 (2020: profit of £292,652).

The financial statements were approved by the Board of Directors and authorised for issue on 23 June 2021 and signed on its behalf by:



T S Price

Director

23 June 2021

The notes on pages 18 to 40 form part of these financial statements.

## Group Statement of changes in equity

### For the year ended 28 February 2021

	Share capital £	Share premium account £	Capital redemption reserve £	Retained earnings £	Total £
<b>Balance at 1 March 2019</b>	1,231	180,499	357	3,770,703	3,952,790
Retained profit for the year	-	-	-	333,047	333,047
Dividends	-	-	-	(1,501,210)	(1,501,210)
Redemption of shares	-	-	-	(78,741)	(78,741)
<b>At 28 February 2020</b>	1,231	180,499	357	2,523,799	2,705,886
Retained loss for the year	-	-	-	(690,942)	(669,489)
Dividends	-	-	-	-	-
<b>At 28 February 2021</b>	1,231	180,499	357	1,832,857	2,014,944

The notes on pages 18 to 40 form part of these financial statements.



## Company Statement of changes in equity

### For the year ended 28 February 2021

	Share capital £	Share premium account £	Capital redemption reserve £	Retained earnings £	Total £
<b>Balance at 1 March 2019</b>	1,231	180,499	357	3,350,520	3,532,607
Retained profit for the year	-	-	-	292,652	292,652
Dividends	-	-	-	(1,501,210)	(1,501,210)
Redemption of shares	-	-	-	(78,741)	(78,741)
<b>At 29 February 2020</b>	<u>1,231</u>	<u>180,499</u>	<u>357</u>	<u>2,063,221</u>	<u>2,245,308</u>
Retained loss for the year	-	-	-	(646,491)	(646,491)
Dividends	-	-	-	420,000	420,000
<b>At 28 February 2021</b>	<u><u>1,231</u></u>	<u><u>180,499</u></u>	<u><u>357</u></u>	<u><u>1,836,730</u></u>	<u><u>2,018,817</u></u>

The notes on pages 18 to 40 form part of these financial statements.

## Group Statement of cash flows

For the year ended 28 February 2021

	Note	2021 £	2020 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	31	1,011,808	3,398,705
Interest paid		(495,974)	(524,971)
Income taxes received/(paid)		141,700	(249,401)
<b>Net cash inflow from operating activities</b>		<u>657,534</u>	<u>2,624,333</u>
 Purchase of tangible fixed assets		 (854,582)	 (2,671,281)
Interest received		22,612	116,592
<b>Net cash used in investing activities</b>		<u>(831,970)</u>	<u>(2,554,689)</u>
 Redemption of shares		 -	 (78,741)
Issue of debentures		302,348	-
Repayment of debentures		(375,000)	(463,000)
Dividends paid to equity shareholders		-	(1,501,210)
<b>Net cash used in financing activities</b>		<u>(72,652)</u>	<u>(2,042,951)</u>
 <b>Net decrease in cash and cash equivalents</b>		 <b>(247,088)</b>	 <b>(1,973,307)</b>
 Cash and cash equivalents at 1 March		 2,922,217	 4,895,524
 Cash and cash equivalents at 28 February/29 February		 <u>2,675,129</u>	 <u>2,922,217</u>

Net debt reconciliation	Cash and cash equivalents £	Bank overdraft £	Borrowings-payable within 1 year £	Borrowings-payable after 1 year £	Total £
<b>1 March 2019</b>	<b>4,903,978</b>	<b>(8,454)</b>	<b>-</b>	<b>(4,515,000)</b>	<b>380,524</b>
Reclassification	-	-	(199,000)	199,000	-
Cash flows	(1,981,761)	8,454	-	264,000	(1,709,307)
<b>At 29 February 2020</b>	<b>2,922,217</b>	<b>-</b>	<b>(199,000)</b>	<b>(4,052,000)</b>	<b>(1,328,783)</b>
Reclassification	-	-	(88,000)	88,000	-
Cash flows	(247,088)	-	122,000	(49,348)	(174,436)
<b>At 28 February 2021</b>	<b>2,675,129</b>	<b>-</b>	<b>(165,000)</b>	<b>(4,013,348)</b>	<b>(1,503,219)</b>

The notes on pages 18 to 40 form part of these financial statements.

## Notes to the financial statements

For the year ended 28 February 2021

### 1. Company information

Caxton FX Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office and place of business is 30 St Mary Axe, London, EC3A 8BF.

### 2. Accounting Policies

#### 2.1 Basis of preparation of financial statements

The financial statements have been prepared on a going concern basis, under the historical cost convention and in accordance with United Kingdom accounting standards, incorporating Financial Reporting Standard 102 ("FRS 102"), the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland, and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Group's accounting policies (see note 3).

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

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

## Notes to the financial statements

For the year ended 28 February 2021

### 2.2 Basis of consolidation

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment. – see other Group accounts for better and more succinct wording

### 2. Accounting policies (continued)

#### 2.2 Basis of consolidation (continued)

The consolidated financial statements incorporate those of Caxton FX Limited and all of its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 28 February 2021. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

### 2.3 Going concern

The directors have carefully considered the adoption of the going concern concept in preparing the financial statements, particularly in light of the effects of the COVID-19 pandemic.

The directors conclude that the Caxton Group has sufficient liquid resources, ongoing contracts and shareholder support to enable the Caxton Group to meet its liabilities and pay its expenses for a period of at least twelve months from the date of approval of the financial statements.

The directors have concluded that there are no material uncertainties that may cast significant doubt about the Group or Company's ability to continue as a going concern. Accordingly, the going concern basis has been adopted in preparing the financial statements.

## Notes to the financial statements

For the year ended 28 February 2021

### 2. Accounting policies (continued)

#### 2.4 Foreign currency translation

##### Functional and presentation currency

The Group and Company's functional and presentational currency is GBP.

##### Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined. All exchange differences are recognised in the Statement of comprehensive income.

#### 2.5 Turnover

Revenue represents the net value of the currency transactions undertaken by the group and the fees charged to customers for utilisation of prepaid cards. Purchases of currency from the group's institutional counterparties are netted off against turnover to produce net revenue.

Revenue is recognised when a binding contract is entered into by a client, the profit is fixed, determined and it is probable that the economic benefits will flow to the group. When the group enters into a contract for a forward delivery with a client it also enters into a separate matched forward contract with its bankers.

Where the Caxton Group enters into contracts for forward delivery with its clients, the Caxton Group also enters into separate matched forward contracts with its institutional counterparties. Wherever contracts for forward delivery are open at the year end, a contract with a positive fair value is recognised as a financial asset, whereas a contract with a negative fair value is recognised as a financial liability.

#### 2.6 Operating leases

Operating leases are those leases where the group has use of an asset but where the significant risks and rewards of ownership remain with the lessor and the lease term is not expected to be a significant portion of the useful life of the asset.

Rentals payable under operating leases are charged to the income statement on a straight-line basis over the term of the lease. Any incentives to enter into an operating lease are credited to the income statement as a reduction of the rental expense on a straight-line basis over the term of the lease.

#### 2.7 Expenses

Expenses incurred are recognised on an accruals basis.

## Notes to the financial statements

For the year ended 28 February 2021

### 2. Accounting policies (continued)

#### 2.8 Pensions

The Caxton Group has defined contribution pension arrangements for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions to a separate entity. Once the contributions have been paid the Caxton Group has no further payment obligations. The contributions are recognised as an expense in the statement of comprehensive income when they fall due. Amounts not paid are included as a liability in the statement of financial position. The assets of the plan are held separately from the Caxton Group in independently administered funds.

#### 2.9 Taxation

##### *Current tax*

Tax is recognised in the Statement of Comprehensive Income on the excess of taxable income over allowable expenses, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

Current tax is the amount of income tax payable on the taxable profit for the period and adjustments in relation to prior periods. It is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

##### *Deferred tax*

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

#### 2.10 Provisions

Provisions are recognised when the group has a legal or constructive present obligation as a result of a past event, it is probable that the group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

## Notes to the financial statements

For the year ended 28 February 2021

### 2. Accounting policies (continued)

#### 2.11 Stocks

Stocks held represents for cards purchased that will be issued to customers and on which will be customers prepaid balances, and are stated at the lower of cost and estimated selling price less costs to complete and self. Cost comprises the purchase price and any overheads that have been incurred in bringing the stocks to their present location and condition.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

#### 2.12 Financial instruments

The Caxton Group 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 Caxton Group and Company when the Caxton Group or Company becomes party to the contractual provisions of the instrument.

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

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

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

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

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

## Notes to the financial statements

For the year ended 28 February 2021

### 2. Accounting policies (continued)

#### 2.12 Financial instruments (continued)

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

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

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

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

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

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

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

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

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

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

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



## Notes to the financial statements

For the year ended 28 February 2021

### 2. Accounting policies (continued)

#### 2.12 Financial instruments (continued)

##### *Other financial liabilities*

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied, and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

##### *Derecognition of financial liabilities*

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

#### 2.13 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method

Depreciation is provided on the following basis:

Computer equipment	- 3-5 years straight line
Fixtures and fittings	- 4 years straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of comprehensive income.

## Notes to the financial statements

For the year ended 28 February 2021

### 2. Accounting policies (continued)

#### 2.13 Intangible fixed assets – Goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 10 years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

#### 2.14 Client money

The Caxton Group and Company holds funds behalf of some clients in accordance with the Client Money rules of the Financial Conduct Authority. Such client monies and the corresponding amounts due to client are not shown in the Statement of Financial Position as the Caxton Group or Company are not beneficially entitled thereto.

The Caxton Group and Company also holds funds on behalf of some clients in accordance with the Payment Services Regulations. Such client funds and the corresponding amounts due to clients are not shown in the Statement of Financial Position as the Caxton Group or Company are not beneficially entitled thereto.

### 3. Judgements in applying accounting policies and key sources of estimation uncertainty

In the application of the Caxton Group accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

#### **Key sources of estimation uncertainty**

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

#### **Useful economic life of tangible assets**

Technology within the financial services sector is in a perpetual state of development and evolution, providing uncertainty over the useful economic life of the group's bespoke trading platform. As noted in note 12.13 the directors have determined that the useful economic life of the Caxton Group's software is five years and in the year ended 28 February 2020 amended the accounting estimate applied to these fixed assets during the period to better reflect the expected usage of these assets. This change in accounting estimate resulted from new information or new developments and, accordingly, was not a correction of errors.

## Notes to the financial statements

For the year ended 28 February 2021

### 3. Judgements in applying accounting policies and key sources of estimation uncertainty

#### ***Incremental costs of obtaining a lease***

The Caxton Group incurs incremental costs that are directly attributable to negotiating and arranging certain leases. Where the directors have determined these initial direct costs are directly attributable to obtaining a lease they are included as prepayments and released to the profit and loss account over the term of the lease. Any costs that are incurred whether a lease was entered into or not, are not directly attributable and expensed as incurred.

#### ***Bond issue costs***

Transaction costs are incurred by the Caxton Group when issuing bonds to investors and include fees paid to agents and advisers. Where the directors determine the costs are incremental and directly attributable to the transaction they are included as prepayments and released to the profit and loss account over the term of the underlying bonds.

#### ***Classification of computer software***

The Caxton Group incurs development costs to create software that is used as part of the core trading activities and held for use in the supply of services to clients. While the software has no physical form, the directors are of the opinion that the software by itself has no ongoing use and has instead been developed as an integral part of the hardware and systems which are used to run the group's business. Therefore, costs incurred on the development of software for the Caxton Group's trading platform and client interfaces should be capitalised as a tangible fixed asset.

## Notes to the accounts

### For the year ended 28 February 2021

#### 4. Turnover and other income

	2021	2020
	£	£
<b>Turnover analysed by class of business</b>		
Currency Services	7,837,261	13,636,709
Medical Testing Services	537,283	-
<b>Other significant income</b>		
Interest income	<u>22,612</u>	<u>116,592</u>

All turnover was from services provided in the United Kingdom.

#### 5. Administrative expenses

Administrative expenses include salaries, rent, professional fees and office expenses.

#### 6. Operating (loss)/profit

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

	2021	2020
	£	£
Foreign exchange losses	19,235	88,655
Depreciation of owned tangible fixed assets	1,239,877	1,033,311
Amortisation of intangible assets	6,704	6,704
Profit on disposal of fixed assets	49,117	
Operating lease charges	<u>309,073</u>	<u>493,302</u>

#### 7. Auditor's remuneration

Fees payable to the Caxton Group's and Company's auditor:

	2021	2020
	£	£
Audit services	25,000	38,400
Non audit services	<u>21,000</u>	<u>22,200</u>

## Notes to the accounts

### For the year ended 28 February 2021

#### 8. Staff costs

	2021	2020
	£	£
The aggregate remuneration costs comprised of:		
Wages and salaries	2,637,241	4,663,475
Cost of defined contribution scheme and benefits	114,507	532,110
Social security costs	355,176	170,763
	<u>3,106,924</u>	<u>5,366,348</u>

The average number of employees during the year ended 28 February 2021 was as follows:

	2021	2020
Sales and marketing	36	40
Administration	29	58
Total	<u>65</u>	<u>98</u>

#### 9. Directors' remuneration

The Directors' aggregate remuneration in respect of qualifying services during the year ended 28 February 2021 was:

	2021	2020
	£	£
Remuneration for qualifying services	535,000	553,904
Pension costs	31,300	30,869
	<u>566,300</u>	<u>584,773</u>

Remuneration for the highest paid director for qualifying services is £185,000 (2020: £192,500) and pension contributions of £7,400 (2020: £17,500). These amounts are included in the aggregate remuneration above.

#### 10. Interest payable and similar expenses

	2021	2020
	£	£
<b>Interest on financial liabilities measured at amortised cost</b>		
Interest on overdraft and loans	-	6,618
Bond interest payable	315,741	331,598
<b>Other finance costs:</b>		
Other interest	180,233	186,755
<b>Total finance costs</b>	<u>495,974</u>	<u>524,971</u>

## Notes to the accounts

### For the year ended 28 February 2021

#### 11. Taxation

	2021	2020
	£	£
<b>Corporation tax</b>		
Current tax on losses during the year	328,944	-
Adjustment for prior period losses reclaimed	-	(205,979)
<b>Total current tax credit</b>	<b>328,944</b>	<b>(205,979)</b>
<b>Deferred tax</b>		
Charge for the year	(465,052)	16,010
Prior year adjustment	16,578	-
<b>Total deferred tax</b>	<b>(448,474)</b>	<b>16,010</b>
<b>Tax credit on losses/profits on ordinary activities</b>	<b>(119,530)</b>	<b>(189,969)</b>

#### Factors affecting current taxation charge for the year

	2021	2020
	£	£
<b>(Loss)/profit before taxation</b>	<b>(810,462)</b>	<b>143,078</b>
<b>Expected tax charge based on the standard rate of corporation tax of 19% (2020: 19%)</b>	<b>(153,988)</b>	<b>27,185</b>
Effects of:		
Expenses not deductible for tax purposes	17,890	22,527
Tax effect of losses carried forward	-	22,439
(Over) provided in prior years	-	(205,979)
Deferred tax adjustments	16,578	16,010
Fixed asset adjustments	-	(72,151)
<b>Tax credit</b>	<b>(119,530)</b>	<b>(189,969)</b>

#### 12. Dividends

	2021	2020
	£	£
Final – paid	-	1,501,210

## Notes to the accounts

### For the year ended 28 February 2021

#### 13. Intangible fixed assets

Group and Company	Goodwill	Total
	£	£
<b>Cost</b>		
At 1 March 2020	134,087	134,087
Additions	-	-
<b>At 28 February 2021</b>	<b>134,087</b>	<b>134,087</b>
<b>Amortisation</b>		
At 1 March 2020	60,338	60,338
Charge for the year	6,704	6,704
<b>At 28 February 2021</b>	<b>67,042</b>	<b>67,042</b>
<b>Net book value</b>		
At 29 February 2020	73,749	73,749
At 28 February 2021	67,045	67,045

## Notes to the accounts

### For the year ended 28 February 2021

#### 14. Tangible fixed assets

	Fixtures and fittings £	Computers £	Total £
<b>Cost</b>			
At 1 March 2020	122,032	7,967,507	8,089,539
Additions	-	854,582	894,582
Disposals	-	(8,661,526)	(8,701,526)
<b>At 28 February 2021</b>	<b>122,032</b>	<b>160,563</b>	<b>282,595</b>
<b>Depreciation</b>			
At 1 March 2020	111,191	3,506,508	3,617,699
Charge for the year	3,404	1,236,473	1,239,877
Disposals	-	(4,610,643)	(4,610,643)
<b>At 28 February 2021</b>	<b>114,595</b>	<b>132,338</b>	<b>246,933</b>
<b>Net book value</b>			
At 28 February 2021	7,437	28,225	35,662
At 28 February 2020	10,841	4,460,999	4,471,840



## Notes to the accounts

### For the year ended 28 February 2021

#### 15. Fixed asset investments

Company	2021	2020
	£	£
At 1 March	50,089	50,089
Disposal	(89)	-
<b>At 28 February/29 February</b>	<b>50,000</b>	<b>50,089</b>

During the year ended 28 February 2021 Caxton FX Ireland Limited, a dormant entity was struck off and therefore the Company's investment in Caxton FX Ireland Limited has been written off.

The investment represents the Company's investment in Caxton FX Bond plc, a wholly-owned subsidiary of the Company

Name of undertaking	Registered office	Nature of business	Class of shares held	% held Direct/indirect
Caxton FX Bond PLC	30 St Mary Axe, London, EC3A 8BF	Provision of financing	Ordinary	100%

#### 16. Financial instruments

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
<b>Carrying amounts of financial assets</b>				
Debt instruments measured at amortised cost	16,960,059	5,536,180	12,860,059	5,536,091
Instruments measured at fair value through profit or loss	7,256,166	36,216,292	7,256,166	36,216,292
	24,216,225	41,752,472	20,116,225	41,752,383
Equity instruments measured at cost less impairment	-	-	50,000	50,089
	24,216,225	41,752,472	20,616,225	41,802,447
<b>Carrying amount of financial liabilities</b>				
Measured at fair value through profit or loss	7,256,186	36,869,750	7,256,186	36,869,750
Measured at amortised cost	17,893,965	8,560,323	14,380,428	8,874,874
	25,150,151	45,430,073	21,636,614	45,744,624

## Notes to the accounts

### For the year ended 28 February 2021

#### Financial assets at date of the Statement of Financial position by contractual maturity

Group	0-3 months £	3-6 months £	6-12 months £	1-3 years £	Total £
Open positions on foreign currency contracts	4,083,207	2,484,727	330,501	357,731	7,256,166
Other receivables	12,860,059	-	-	-	12,860,059
Loan receivable	4,100,000	-	-	-	4,100,000
	21,043,266	2,484,727	330,501	357,731	24,216,225

Company	0-3 months £	3-6 months £	6-12 months £	1-3 years £	Total £
Open positions on foreign currency contracts	4,083,207	2,484,727	330,501	357,731	7,256,166
Other receivables	12,860,059	-	-	-	12,860,059
	16,943,266	2,484,727	350,501	357,731	20,116,225

#### Liquidity risk

The following table details the profile of the Group's financial liabilities. The amounts are based on the undiscounted cashflows based on the earlier date of which the Group can be required to pay. Financial liabilities at date of the Statement of Financial position by contractual maturity:

Group	0-3 months £	3-6 months £	6-12 months £	1-3 years £	Total £
Open positions on foreign currency contracts	3,890,288	2,432,866	321,337	359,325	7,003,816
Trade creditors	13,475,532	-	-	-	13,475,532
Other creditors	500,455	3,873,000	72,000	2225,348	4,670,803
	17,866,275	6,305,866	393,337	584,673	25,150,151

## Notes to the accounts

### For the year ended 28 February 2021

#### 17. Financial instruments (continued)

Company	0-3 months £	3-6 months £	6-12 months £	1-3 years £	Total £
Open positions on foreign currency contracts	3,890,288	2,432,866	321,337	359,325	7,003,816
Trade creditors	13,475,932	-	-	-	13,475,932
Amount due to subsidiaries	194,499	-	-	-	194,499
Other creditors	348,847				348,847
	17,909,566	2,432,866	321,337	359,325	21,023,094

Financial assets and liabilities measured at fair value through profit or loss comprise debtors and trade creditors, being the open position measured at fair value through Profit and Loss. Their fair value is based on the transaction price agreed with the customer or counterparty and their observable fair value in the foreign exchange market.

The fair value of forward currency contracts is based on their observable prices in the foreign exchange market requiring no significant adjustment. These are classified under the fair value hierarchy as level 2.

Financial assets that are debt instruments measured at amortised cost comprise other debtors. Other debtors have short times to maturity. For this reason, their carrying values at the yearend are approximate to their fair values.

Financial liabilities measured at amortised cost comprise other creditors and amounts due to group undertakings. These have short times to maturity. For this reason, their carrying values at the yearend are approximate to their fair values.

#### 18. Stocks

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Cards to be issued to customers	96,691	44,333	96,691	44,333

## Notes to the accounts

### For the year ended 28 February 2021

#### 19. Debtors

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Trade debtors	20,470,130	41,137,330	20,470,130	41,137,330
Corporation tax recoverable	-	88,050	-	88,050
Other debtors	7,025	471,623	7,025	471,534
Prepayments and accrued income	371,093	618,880	312,877	552,784
<b>Total</b>	<b>20,848,248</b>	<b>42,315,883</b>	<b>20,790,032</b>	<b>42,249,698</b>

Included within trade debtors is a balance of £357,732 (2020: £1,261,790) which falls due after more than one year

#### 20. Creditors: Amounts falling due within one year

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Trade creditors	20,479,348	40,032,480	20,479,348	40,032,480
Amounts due to group undertakings	-	-	194,499	4,846,933
Corporation tax payable	382,604	-	382,604	-
Other taxation and social security	101,026	166,984	101,026	166,984
Other creditors	157,244	361,693	25,571	91,846
Corporate bonds	165,000	199,000	-	-
Deferred income (note 23)	136,679	113,873	136,679	113,873
Accruals	335,211	784,900	323,676	773,365
<b>Total</b>	<b>21,757,112</b>	<b>41,658,930</b>	<b>21,643,403</b>	<b>46,025,481</b>

Included in Corporate bonds is £88,000 of bonds (2020: £199,000) with an interest rate of 7.25% per annum and interest is paid in six month intervals. Holders of these Corporate bonds are required to give six months' notice of redemption prior to 30 April annually and for repayment by 31 October annually. Holders of these bonds have given the required notice of redemption and will be repaid by 31 October 2021.

Also included in Corporate bonds is £77,000 of bonds which will mature within one year without any notice of redemption required by the holder, with interest rates varying between 3.85% and 6% per annum and interest is paid monthly.

The Group is entitled to repay any or all of the principal amount of the bonds together with any accrued interest thereon at any time during the term of the bonds.

## Notes to the accounts

### For the year ended 28 February 2021

#### 21. Creditors: Amounts falling due after one year

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Deferred income (note 23)	-	758,552	-	758,552
Corporate bonds	4,013,348	4,052,000	-	-
<b>Total</b>	<b>4,013,348</b>	<b>4,810,552</b>	<b>-</b>	<b>758,552</b>

Included in Corporate bonds is £3,788,000 of bonds (2020: £4,052,000) with an interest rate of 7.25% per annum and interest is paid in six monthly intervals. Holders of these Corporate bonds are required to give six months' notice of redemption prior to 30 April annually and for repayment by 31 October annually. Holders of these bonds have not given the required notice of redemption and will be repaid at the earliest by 31 October 2022.

Also included in Corporate bonds is £225,348 of bonds which will mature within one year without any notice of redemption required by the holder, with interest rates varying between 3.85% and 6% per annum and interest is paid monthly

The Group is entitled to repay any or all of the principal amount of the bonds together with any accrued interest thereon at any time during the term of the bonds.

#### 22. Provision for liabilities

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Other provisions	35,089	191,842	35,089	191,842
Property provision	-	10,058	-	10,058
Deferred tax (note 11)	2,280	450,754	2,280	450,754
<b>Total</b>	<b>37,369</b>	<b>652,654</b>	<b>37,369</b>	<b>652,654</b>

#### Other provisions

A provision is recognised when customer accounts are suspended due to suspicious activity and an equal sum of cash is placed in a ring fenced account whilst the Caxton Group undertakes investigations.

#### Deferred tax

Group and Company (Asset/liability)	2021 £	2020 £
Accelerated capital allowances	6,776	475,549
Other timing differences	(4,496)	(2,356)
Unutilised losses	-	(22,439)
<b>As at 28 February</b>	<b>2,280</b>	<b>450,754</b>

## Notes to the accounts

### For the year ended 28 February 2021

#### 22. Provision for liabilities (continued)

##### Deferred tax (continued)

Group and Company (Asset)/liability	Accelerated capital allowances	Other timing differences £	Unutilised losses £	Total
As at 1 March 2020	450,754	-	-	450,754
Prior year adjustment	41,373	(2,356)	(22,439)	16,578
(Credit)/Charge for the year	(485,351)	(2,140)	22,439	(465,052)
<b>As at 28 February 2020</b>	<b>6,776</b>	<b>(4,496)</b>	<b>-</b>	<b>2,280</b>

The deferred tax assets in relation to other timing differences and unutilised tax losses were not recognised in the prior year as it was uncertain when there would be taxable profits against which these assets could be offset.

#### 23. Deferred income –

	Group 2021 £	2020 £	Company 2021 £	2020 £
Other deferred income	136,679	872,425	136,679	872,425

#### 24. Operating lease commitments

As at 28 February 2021, the Company had future minimum lease obligations under non-cancellable operating leases as follows:

	Group 2021 £	2020 £	Company 2021 £	2020 £
Within one year	245,270	721,082	245,270	721,082
Between two and five years	2,707,835	2,215,337	2,707,835	2,215,337
Over five years	246,015	984,060	246,015	984,060
<b>Total</b>	<b>3,199,120</b>	<b>3,920,479</b>	<b>3,199,120</b>	<b>3,920,479</b>

## Notes to the accounts

### For the year ended 28 February 2021

#### 25. Share capital

##### Group and company

	2021	2020
	£	£
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
123,050 ordinary shares of 1p each	1,231	1,231
<b>Allotted and nil paid</b>		
9,263 (2020:5,472) Ordinary 'B' shares of 1p each	-	-

As at 29 February 2020 one employee holds options to subscribe for shares in the Company under the share option scheme approved by the shareholders in October 2012, comprising 1,715 Ordinary shares and a parallel options over 1,715 'A Ordinary shares', exercisable for a consideration of £8 per share within a ten year period commencing 1 November 2012. During the year ended 28 February 2021 these options lapsed and therefore the employee no longer holds these options.

There are no 'A' ordinary shares in issue. 'B' ordinary shares give the right to receive dividends but no right of return of capital on winding up of the company nor any voting rights. The shares rank pari passu in all other respects.

#### 26. Reserves

##### Share premium

This reserve records the amount above the nominal value received for shares sold, less transactions costs.

##### Capital redemption reserve

This reserve records the nominal value of shares repurchased by the company.

##### Retained earnings

This reserve relates to the cumulative profits and losses less amounts distributed to shareholders.

#### 27. Related Party transactions

During the year ended 28 February 2021 the Company paid a total of £1,114,313 (2020: £2,601,575) to Valitor Limited for payment processing services, a company whose director, R K Alexander, is also a director of Caxton FX Limited. As at 28 February 2021 £410,000 (2020: £1,682,084) was owed to Valitor Limited, and £1,500,000 (2020: £2,992,449) was owed from Valitor Limited.

During the year ended 28 February 2021 the Company paid a total of £24,217 (2020: £25,276) to Tigaca Limited for non- executive directorship duties, a company whose director, R K Alexander, is also a director of Caxton FX Limited. As at 28 February 2021, £nil (2020: £nil) was outstanding.

During the year ended 28 February 2021 the Group paid £43,668 (2020: £911,307) to Hooha Innovations Limited for software development, a company whose director, TS Price, is also a director of Caxton FX Limited. As at 28 February 2021 £834 (2020: £nil) was outstanding .

## Notes to the accounts

### For the year ended 28 February 2021

#### 27. Related Party transactions (continued)

During the year ended 28 February 2021 The Caxton Holding Company Limited, was incorporated and during the year ended 28 February 2021 the Group transferred the net book value of £4,050,833 of software and intellectual property of computer software developed by the Group to The Caxton Holding Company Limited. The consideration paid was the net book value of the asset which is considered by the Directors to be an appropriate estimate of the market value of the asset.

The consideration for this sale was provided by a loan made by Caxton FX Bond plc to The Caxton Holding Company Limited of £4,100,000. This loan is repayable on demand and bears interest at the rate of 5% per annum.

Key management are considered to be the Directors and their remuneration can be found in note 9.

#### 28. Guarantees

The Company has provided a guarantee to meet the payment obligations of Caxton FX Bond plc, a wholly owned subsidiary. In connection with the corporate bonds issued by Caxton FX Bond plc. As at 28 February 2021 the amounts owed to bondholders were £4,310,021 (2020: £4,387,879).

#### 29. Country by country reporting

The disclosure requirements stipulated by the Capital Requirements (Country-by-Country Reporting) Regulations 2013 are as follows:

Entity Name	Caxton FX Limited	Caxton Bond plc	Consolidation adjustments	Consolidated
Activity	Provision of payments services	Provision of financing services to Caxton FX Limited		
Country	United Kingdom	United Kingdom		
Average number of employees	65	-	-	65
Turnover	8,374,545	72,000	(72,000)	8,374,545
Loss before tax	(766,012)	(44,450)	-	(810,462)
Tax credit	(140,973)	-	-	(140,973)
Public subsidies received	-	-	-	-

#### 30. Controlling party

The Company is controlled by R Lee-Browne, a director of the company



## Notes to the accounts

### For the year ended 28 February 2021

#### 31. Cash generated from group operations

	2021	2020
	£	£
<b>(Loss)/profit for the year after tax</b>	(690,942)	333,047
<b>Adjustments for:</b>		
Taxation (credited)	(119,520)	(189,969)
Finance costs	495,974	524,971
Investment income	(22,612)	(116,592)
Profit on disposal of fixed assets	(49,117)	-
Amortisation and impairment of intangible assets	6,704	6,704
Depreciation and impairment of tangible fixed assets	1,239,877	1,033,311
(Decrease)/Increase in provisions	(166,811)	41,230
<b>Movements in working capital:</b>		
(Increase) in stocks	(52,356)	(14,814)
Decrease/(Increase) in debtors	21,379,585	(4,428,190)
(Decrease)/Increase in creditors	(21,008,974)	6,209,007
<b>Cash generated from Operations</b>	<b>1,011,808</b>	<b>3,398,705</b>