

Registered number: 05471230

TAVIRA SECURITIES LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019



TAVIRA SECURITIES LIMITED

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TAVIRA SECURITIES LIMITED

COMPANY INFORMATION

Directors	G J Caldon S Goodfellow (resigned 1 December 2018) P Fietje (appointed 18 October 2018)
Company secretary	G J Caldon
Registered number	05471230
Registered office	13th Floor 88 Wood Street London EC2V 7DA
Independent auditor	Nexia Smith & Williamson Chartered Accountants & Statutory Auditor Portwall Place Portwall Lane Bristol BS1 6NA

TAVIRA SECURITIES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2019

The board of directors (the 'Directors') present their report and the financial statements for the year ended 31 March 2019.

Directors' responsibilities statement

The Directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), 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 the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group 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 the Group 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Pillar 3 disclosures

The disclosures required under the Banking Consolidation Directive, known as Pillar 3 disclosures, can be obtained from the Company's website <http://www.tavirasecurities.com>.

Results and dividends

The profit for the year, after taxation and non-controlling interests, amounted to £258,637 (2018 - loss £101,002).

No dividends were paid during the year (2018: nil).

Directors

The Directors who served during the year were:

G J Caldon
S Goodfellow (resigned 1 December 2018)
P Fietje (appointed 18 October 2018)

TAVIRA SECURITIES LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2019**

Disclosure of information to the auditor

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

- so far as the Director is aware, there is no relevant audit information of which the Company and the Group's auditor is unaware, and
- the Director has 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 and the Group's auditor is aware of that information.

Auditor

The auditor, Nexia Smith & Williamson, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf..



G J Caldon
Director

Date: 23 July 2019

TAVIRA SECURITIES LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2019

Principal activity

The principal activity of Tavira Securities Limited ("the Company") during the year was that of an agency broker specialising in global execution services for both equities and derivatives. The Company is authorised and regulated by the Financial Conduct Authority.

Business review

In the financial year 2018/19, the business reported a profit. Primarily the increase has been driven by the expansion of the Dubai branch and increased asset management revenues.

From a Group perspective, we have seen further activity in the asset management space, the introduction of new product areas in the broking space and the addition of a private equity team. In addition, Tavira Monaco has entered into a joint venture with Ravenscroft, resulting in the creation of a new subsidiary, focussed on Private Wealth Management. Whilst a relatively new part of the business to date, the Directors are confident this will enhance Tavira's offering and profitability in the coming years.

Overall, the strategy for the diversification within the Group will continue to be followed and the Directors are confident this will assist the expansion and positive growth of Tavira going forward.

Principal risks and uncertainties

The management of the business and the execution of the Company's strategy are subject to the following risks:

Market risk - risk there is a downturn in investment globally due to changes in macroeconomic conditions. The Company has tried to mitigate this risk by diversifying the product offering further.

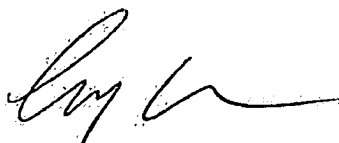
Concentration risk - reliance on too few clients could result in a major impact on revenues. The Company have combated this with the addition of new brokers and new clients, thus reducing the potential risk.

Credit risk - the Group is mainly exposed to credit risk from onboarding new clients. It is Company policy to assess the credit risk of new customers and to factor the information from these reviews into future dealings with customers.

CRD IV Disclosures

The Company is subject to the Country by Country Reporting obligation under Article 89 of the Capital Requirements Directive IV. The information required to be disclosed for the Company's Ongoing Reporting Obligations for the year ending 31 March 2019 is published within these financial statements.

This report was approved by the board and signed on its behalf.



G J Caldon
Director

Date: 23 July 2019

TAVIRA SECURITIES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TAVIRA SECURITIES LIMITED

Opinion

We have audited the financial statements of Tavira Securities Limited (the 'Parent company' or the 'Company') and its subsidiaries (the 'Group') for the year ended 31 March 2019 which comprise the Group Statement of Comprehensive Income, the Group and Company Balance sheet, the Group and Company Statement of Changes in Equity, the Group Statement of Cash Flows and the 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 FRS 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 Parent company's affairs as at 31 March 2019 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and Parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

TAVIRA SECURITIES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TAVIRA SECURITIES LIMITED (CONTINUED)

Other information

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the Parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report and the Group Strategic Report.

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 by the Parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent company 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 2, 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's or the Parent 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 Group or the Parent company or to cease operations, or have no realistic alternative but to do so.

TAVIRA SECURITIES LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TAVIRA SECURITIES 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.

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 auditor's report.

Use of our report

This report is made solely to the Parent 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 Parent company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Parent company and the Parent company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Carl Deane (Senior Statutory Auditor)

for and on behalf of

Nexia Smith & Williamson

Chartered Accountants & Statutory Auditor

Portwall Place
Portwall Lane
Bristol
BS1 6NA

Date: 23 July 2019

TAVIRA SECURITIES LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2019**

	Note	2019 £	2018 £
Turnover	4	19,811,675	19,283,369
Cost of sales		(12,303,887)	(13,606,242)
Gross profit		7,507,788	5,677,127
Administrative expenses		(8,134,282)	(7,247,593)
Other operating income	5	1,162,861	1,645,320
Operating profit	6	536,367	74,854
Share of profit from joint venture	13	(55,486)	-
Profit before taxation		480,881	74,854
Tax on profit	10	(228,285)	(175,856)
Profit/(loss) for the financial year		252,596	(101,002)
Currency translation differences		14,704	(28,417)
Other comprehensive income for the year		14,704	(28,417)
Total comprehensive income for the year		267,300	(129,419)
Profit/(loss) for the year attributable to:			
Non-controlling interests		856	3,756
Owners of the parent Company		251,740	(104,758)
		252,596	(101,002)
Total comprehensive income for the year attributable to:			
Non-controlling interest		856	3,756
Owners of the parent Company		266,444	(133,175)
		267,300	(129,419)

The notes on pages 15 to 32 form part of these financial statements.

TAVIRA SECURITIES LIMITED
REGISTERED NUMBER:05471230

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	12	108,704	144,432
Fixed asset investments	13	138,396	-
		<u>247,100</u>	<u>144,432</u>
Current assets			
Debtors: amounts falling due within one year	14	1,811,272	2,007,943
Cash and cash equivalents		946,203	792,346
		<u>2,757,475</u>	<u>2,800,289</u>
Creditors: amounts falling due within one year	16	(740,519)	(928,594)
Net current assets		<u>2,016,956</u>	<u>1,871,695</u>
Total assets less current liabilities		<u>2,264,056</u>	<u>2,016,127</u>
Deferred taxation	18	(8,630)	-
		<u>(8,630)</u>	<u>-</u>
Net assets		<u><u>2,255,426</u></u>	<u><u>2,016,127</u></u>
Capital and reserves			
Called up share capital	19	101	101
Share premium account	20	771,799	771,799
Foreign exchange reserve	20	23,832	35,722
Retained earnings	20	1,326,949	1,075,209
Equity attributable to owners of the parent Company		<u>2,122,681</u>	<u>1,882,831</u>
Non-controlling interests		132,745	133,296
		<u><u>2,255,426</u></u>	<u><u>2,016,127</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

G J Caldon
Director



Date: 23 July 2019

The notes on pages 15 to 32 form part of these financial statements.

TAVIRA SECURITIES LIMITED
REGISTERED NUMBER:05471230


COMPANY BALANCE SHEET
AS AT 31 MARCH 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	12	62,157	112,211
Investments	13	342,119	342,119
		<u>404,276</u>	<u>454,330</u>
Current assets			
Debtors: amounts falling due within one year	14	1,060,710	731,485
Cash and cash equivalents		514,232	459,509
		<u>1,574,942</u>	<u>1,190,994</u>
Creditors: amounts falling due within one year	16	(749,680)	(694,024)
Net current assets		<u>825,262</u>	<u>496,970</u>
Total assets less current liabilities		<u>1,229,538</u>	<u>951,300</u>
Provisions for liabilities			
Deferred taxation	18	(8,630)	
		<u>(8,630)</u>	
Net assets excluding pension asset		<u>1,220,908</u>	<u>951,300</u>
Net assets		<u>1,220,908</u>	<u>951,300</u>
Capital and reserves			
Called up share capital	19	101	101
Share premium account	20	771,799	771,799
Retained earnings	20	449,008	179,400
		<u>1,220,908</u>	<u>951,300</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

G J Caldon
Director

Date: 23 July 2019



The notes on pages 15 to 32 form part of these financial statements.

TAVIRA SECURITIES LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2019**

	Called up share capital £	Share premium account £	Foreign exchange reserve £	Retained earnings £	Equity attributable to owners of the Parent company £	Non- controlling interests £	Total equity £
At 1 April 2017	101	771,799	61,268	1,179,967	2,013,135	132,411	2,145,546
Comprehensive income for the year							
Loss for the year	-	-	-	(104,758)	(104,758)	3,756	(101,002)
Currency translation differences	-	-	(25,546)	-	(25,546)	(2,871)	(28,417)
Total comprehensive income for the year	-	-	(25,546)	(104,758)	(130,304)	885	(129,419)
At 1 April 2018	101	771,799	35,722	1,075,209	1,882,831	133,296	2,016,127
Comprehensive income for the year							
Profit for the year	-	-	-	251,740	251,740	856	252,596
Currency translation differences	-	-	(11,890)	-	(11,890)	(1,407)	(13,297)
Total comprehensive income for the year	-	-	(11,890)	251,740	239,850	(551)	239,299
At 31 March 2019	101	771,799	23,832	1,326,949	2,122,681	132,745	2,255,426

The notes on pages 15 to 32 form part of these financial statements.

TAVIRA SECURITIES LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2019**

	Called up share capital	Share premium account	Retained earnings	Total equity
	£	£	£	£
At 1 April 2017	101	771,799	356,263	1,128,163
Comprehensive income for the year				
Loss for the year	-	-	(176,863)	(176,863)
At 1 April 2018	101	771,799	179,400	951,300
Comprehensive income for the year				
Profit for the year	-	-	269,608	269,608
At 31 March 2019	101	771,799	449,008	1,220,908

The notes on pages 15 to 32 form part of these financial statements.

TAVIRA SECURITIES LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2019**

	2019 £	2018 £
Cash flows from operating activities		
Profit for the financial year	252,596	(101,002)
Adjustments for:		
Depreciation of tangible assets	(93,318)	75,755
Taxation charge	228,285	175,856
Decrease in debtors	25,932	1,546,722
Decrease/(increase) in amounts owed by ultimate parent company	170,739	(125,000)
(Decrease) in creditors	(115,840)	(1,331,608)
Corporation tax (paid)/received	(2,633)	227,026
Net cash generated from operating activities	<u>465,761</u>	<u>467,749</u>
Cash flows from investing activities		
Purchase of tangible fixed assets	(57,590)	(38,548)
Sale of tangible fixed assets	-	2,518
Purchase of share in joint venture	(193,882)	-
Net cash from investing activities	<u>(251,472)</u>	<u>(36,030)</u>

TAVIRA SECURITIES LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2019

	2019 £	2018 £
Cash flows from financing activities		
Repayment of loans	(59,440)	(35,922)
Net cash used in financing activities	<u>(59,440)</u>	<u>(35,922)</u>
Net increase in cash and cash equivalents	154,849	395,797
Cash and cash equivalents at beginning of year	791,354	395,557
Cash and cash equivalents at the end of year	<u>946,203</u>	<u>791,354</u>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	946,203	792,346
Bank overdrafts	-	(992)
	<u>946,203</u>	<u>791,354</u>

The notes on pages 15 to 32 form part of these financial statements.

TAVIRA SECURITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

1. General information

Tavira Securities Limited (the 'Company') is a private company, limited by shares, registered in the United Kingdom in England and Wales with Companies House registration number 05471230. The Company is authorised and regulated by the Financial Conduct Authority ('FCA') and the Company's registered address is 13th Floor, 88 Wood Street, London, EC2V 7DA. The principal activities of the Company and its subsidiary ('the Group') and the nature of the Group's operations are set out in the Strategic Report on page 4.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK 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 Group management to exercise judgment in applying the Group's accounting policies.

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income or Statement of Cash Flows in these financial statements.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of Tavira Securities Limited and its own material subsidiaries (the Group) as if they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance Sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

2.3 Turnover

Turnover shown in the statement of comprehensive income represents agency broker commissions earned on the execution of trades during the year.

2.4 Investments

Investments in subsidiaries are valued at cost less provision for impairment.

TAVIRA SECURITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

2. Accounting policies (continued)

2.5 Associates and joint ventures

An entity is treated as a joint venture where the Group is a party to a contractual agreement with one or more parties from outside the Group to undertake an economic activity that is subject to joint control.

An entity is treated as an associated undertaking where the Group exercises significant influence in that it has the power to participate in the operating and financial policy decisions.

In the consolidated accounts, interests in associated undertakings are accounted for using the equity method of accounting. Under this method an equity investment is initially recognised at the transaction price (including transaction costs) and is subsequently adjusted to reflect the investors share of the profit or loss, other comprehensive income and equity of the associate. The Consolidated Statement of Comprehensive Income includes the Group's share of the operating results, interest, pre-tax results and attributable taxation of such undertakings applying accounting policies consistent with those of the Group. In the Consolidated Balance Sheet, the interests in associated undertakings are shown as the Group's share of the identifiable net assets, including any unamortised premium paid on acquisition.

Any premium on acquisition is dealt with in accordance with the goodwill policy.

2.6 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.

The Group adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Group. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

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:

Office equipment	- 33% straight line
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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 Consolidated Statement of Comprehensive Income.

2.7 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to the Consolidated Statement of Comprehensive Income on a straight line basis over the lease term.

TAVIRA SECURITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

2. Accounting policies (continued)

2.8 Foreign currency translation

Functional and presentation currency

The 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.

On consolidation, the results of overseas operations are translated into Pound Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

2.9 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in the Consolidated Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Group in independently administered funds.

TAVIRA SECURITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

2. Accounting policies (continued)

2.10 Financial instruments

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Investments in non-convertible preference shares and in non-puttable ordinary and preference shares are measured:

- at fair value with changes recognised in the Consolidated Statement of Comprehensive Income if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an 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.

TAVIRA SECURITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

2. Accounting policies (continued)

2.11 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Consolidated Statement of Comprehensive Income, 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.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

3. Key sources of estimation uncertainty and judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Depreciation of tangible fixed assets

The Group establishes a reliable estimate of the useful life of tangible assets. This estimate is based on the expected useful life of similar assets and, given the non-complex nature of the assets owned, the estimated useful life is relatively simple to calculate.

Bad debt provision

A full line by line review of trade debtors is carried out at regular intervals. Whilst every attempt is made to ensure that the bad debt provisions are as accurate as possible, there remains a risk that the provisions do not match the level of debts which ultimately prove to be uncollectable.

TAVIRA SECURITIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

4. Turnover

Analysis of turnover by country of destination:

	2019 £	2018 £
United Kingdom	10,023,769	8,982,301
Rest of Europe	9,787,906	10,301,068
	<u>19,811,675</u>	<u>19,283,369</u>

5. Other operating income

	2019 £	2018 £
Other operating income	1,162,861	1,645,320
	<u>1,162,861</u>	<u>1,645,320</u>

During the year £nil (2018 - £316,663) relates to VAT reclaims.

6. Operating profit

The operating profit is stated after charging:

	2019 £	2018 £
Depreciation of tangible fixed assets	93,318	70,592
Exchange differences	14,708	110,717
Defined contribution pension cost	5,599	-
	<u>113,625</u>	<u>181,309</u>

7. Auditor's remuneration

	2019 £	2018 £
Fees payable to the Group's auditor and its associates for the audit of the Group's annual accounts	31,400	29,700
Fees payable to the Group's auditor and its associates in respect of:		
Assurance services other than the auditing of the financial statements	3,500	2,950
Tax compliance and advisory services	17,126	15,160
	<u>21,026</u>	<u>27,810</u>

TAVIRA SECURITIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

8. Employees

	Group 2019 £	<i>Group 2018 £</i>	Company 2019 £	<i>Company 2018 £</i>
Wages and salaries	3,460,707	<i>2,719,657</i>	3,022,631	<i>2,305,450</i>
Social security costs	627,594	<i>562,372</i>	360,898	<i>317,388</i>
	<u>4,088,301</u>	<i><u>3,282,029</u></i>	<u>3,383,529</u>	<i><u>2,622,838</u></i>

The average monthly number of employees, including the Directors, during the year was as follows:

	Group 2019 No.	<i>Group 2018 No.</i>	Company 2019 No.	<i>Company 2018 No.</i>
Administrative staff	<u>42</u>	<i><u>36</u></i>	<u>30</u>	<i><u>24</u></i>

9. Directors' remuneration

	2019 £	<i>2018 £</i>
Directors' emoluments	<u>87,000</u>	<i><u>42,000</u></i>

TAVIRA SECURITIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

10. Taxation

	2019 £	2018 £
Corporation tax		
Current tax on profits for the year	45,908	-
Foreign tax		
Foreign tax on income for the year	173,747	175,856
Total current tax	219,655	175,856
Deferred tax		
Origination and reversal of timing differences	8,630	-
Total deferred tax	8,630	-
Taxation on profit on ordinary activities	228,285	175,856

TAVIRA SECURITIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

10. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2018 - *higher than*) the standard rate of corporation tax in the UK of 19% (2018 - 20%). The differences are explained below:

	2019 £	2018 £
Profit on ordinary activities before tax	<u>289,243</u>	<u>74,854</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	54,956	14,222
Effects of:		
Expenses not deductible for tax purposes	3,322	7,098
Income not taxable for tax purposes	(561)	-
Deferred tax not recognised	17,578	6,294
Foreign PE exemption	(59,852)	-
Adjustment to opening and closing rates of tax	1,053	-
Adjustments to tax charge in respect of prior periods	38,042	(27,614)
Overseas tax	173,747	175,856
Total tax charge for the year	<u><u>228,285</u></u>	<u><u>175,856</u></u>

Factors that may affect future tax charges

Finance Act 2016, which received Royal Assent on 15 September 2016, included legislation to reduce the main rate of corporation tax to 17% from 1 April 2020.

11. Parent company profit for the year

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements. The profit after tax of the parent Company for the year was £269,608 (2018 - loss £176,863).

TAVIRA SECURITIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

12. Tangible fixed assets

Group

	Office equipment £
Cost or valuation	
At 1 April 2018	837,162
Additions	57,590
At 31 March 2019	<u>894,752</u>
Depreciation	
At 1 April 2018	692,730
Charge for the year on owned assets	93,318
At 31 March 2019	<u>786,048</u>
Net book value	
At 31 March 2019	<u><u>108,704</u></u>
At 31 March 2018	<u><u>144,432</u></u>

TAVIRA SECURITIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

12. Tangible fixed assets (continued)

Company

	Office equipment £
Cost or valuation	
At 1 April 2018	614,053
Additions	11,814
At 31 March 2019	<u>625,867</u>
Depreciation	
At 1 April 2018	501,842
Charge for the year on owned assets	61,868
At 31 March 2019	<u>563,710</u>
Net book value	
At 31 March 2019	<u><u>62,157</u></u>
At 31 March 2018	<u><u>112,211</u></u>

TAVIRA SECURITIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

13. Fixed asset investments

Group

	Investment in joint ventures £
Cost or valuation	
Additions	193,882
Share of profit/(loss)	(55,486)
At 31 March 2019	<u>138,396</u>

On 23 January 2019, Tavira Monaco S.A.M. signed a Joint Venture agreement with Ravenscroft Holdings Limited and each partner subscribed for 224,998 shares of €1 each, creating Tavira Ravenscroft S.A.M., a jointly-owned company.

Company

	Investments in subsidiary companies £
Cost or valuation	
At 1 April 2018	342,119
At 31 March 2019	<u>342,119</u>

TAVIRA SECURITIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

13. Fixed asset investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
Tavira Monaco S.A.M.	Le Montaigne, 6 Boulevard Des Moulins, 98000, Monaco	Ordinary	89.9%
Tavira UK Limited	13th Floor, 88 Wood Street, London, EC2V 7DA	Ordinary	100%

The aggregate of the share capital and reserves as at 31 March 2019 and the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

Name	Aggregate of share capital and reserves £	Profit/(Loss) £
Tavira Monaco S.A.M.	1,402,037	9,010
Tavira UK Limited	100	-

14. Debtors

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Trade debtors	1,136,060	1,283,079	741,927	563,983
Amounts owed by group undertakings	318,828	489,567	-	11,916
Other debtors	109,908	98,583	105,737	53,061
Prepayments and accrued income	246,476	136,714	213,046	102,525
	1,811,272	2,007,943	1,060,710	731,485

15. Cash and cash equivalents

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Cash at bank and in hand	946,203	792,346	514,232	459,509

TAVIRA SECURITIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

16. Creditors: Amounts falling due within one year

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Bank overdrafts	-	992	-	-
Bank loans	-	59,440	-	59,440
Amounts owed to group undertakings	-	-	225,476	225,476
Corporation tax	42,334	76,944	7,867	-
Other taxation and social security	126,803	177,553	126,803	177,553
Other creditors	10,817	-	10,817	-
Accruals and deferred income	560,565	613,665	378,717	231,555
	740,519	928,594	749,680	694,024

The bank overdraft is secured by way of a £100,000 limited guarantee given by Mr E W Goodfellow, a director of Tavira Monaco S.A.M, a subsidiary company of Tavira Securities Limited.

Included within other taxation is stamp duty of £nil (2018: £98,972) payable to overseas tax authorities.

17. Financial instruments

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Financial assets				
Financial assets measured at fair value through profit or loss	946,203	792,346	514,232	459,509
Financial assets that are debt instruments measured at amortised cost	1,630,452	1,871,229	913,320	628,960
	2,576,655	2,663,575	1,427,552	1,088,469
Financial liabilities				
Financial liabilities measured at amortised cost	(45,284)	(674,097)	(236,293)	(516,471)

TAVIRA SECURITIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

17. Financial instruments (continued)

Financial assets measured at fair value through profit or loss comprise cash and cash equivalents.

Financial assets measured at amortised cost comprise trade and intercompany debtors, bank deposits and other standard short term assets.

Financial Liabilities measured at amortised cost comprise trade and intercompany payables and other standard short term liabilities.

The Group's policy is that it does not trade in financial instruments on its own account.

The main risks arising from the Group's activities are market risk and credit risk. These are monitored by the Board of Directors and were not considered to be significant at the balance sheet date.

The market risk to Tavira is the risk of a downturn in investment globally due to changes in macro economic conditions. The Company have monitored and combated this risk by diversifying the product offering further, thus reducing reliance on a single product which may be affected by such economic changes.

The Group is mainly exposed to credit risk from onboarding new clients. It is Company policy to assess the credit risk of new customers and to factor the information from these reviews into future dealings with customers.

At the balance sheet date there were no significant concentrations of credit risk. The credit risk of liquid funds is limited because the third parties are banks with high credit ratings assigned by international credit rating agencies.

In addition, the Board has considered interest and liquidity risk. Both of these are considered insignificant by the Board.

Tavira has very limited borrowings, thus its exposure to interest rate moves is immaterial.

As a BIPRU EUR 125k limited licence firm, the firm is subject to the regulatory capital requirements imposed by the Financial Conduct Authority.

The Company deems there is sufficient capital and liquidity for the foreseeable future.

18. Deferred taxation

Group

	2019
	£
Charged to profit or loss	(8,630)
At end of year	(8,630)

TAVIRA SECURITIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

18. Deferred taxation (continued)

Company

	2019 £
Charged to profit or loss	(8,630)
At end of year	(8,630)

	Group 2019 £	Company 2019 £
Accelerated capital allowances	(8,752)	(8,752)
Short term timing differences	122	122
	<u>(8,630)</u>	<u>(8,630)</u>

TAVIRA SECURITIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

19. Share capital

	2019 £	2018 £
Allotted, called up and fully paid		
100 (2018 - 100) Ordinary shares of 1.00 each	100	100
1 (2018 - 1) B share of 1.00	1	1
	<u>101</u>	<u>101</u>

20. Reserves

Share premium account

This reserve records the amount above the nominal value received for shares issued, less transaction costs.

Foreign exchange reserve

This reserve comprises differences arising from the translation of financial statements of the Group's foreign entities into Pound Sterling.

Profit & loss account

This reserve includes all current and prior period retained profits and losses.

21. Contingent liabilities

There are no contingent liabilities of the parent or group (2018 - none).

22. Commitments under operating leases

At 31 March 2019 the Group and the Company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Not later than 1 year	382,276	359,830	257,675	236,830
Later than 1 year and not later than 5 years	385,046	532,711	385,046	532,711
	<u>767,322</u>	<u>892,541</u>	<u>642,721</u>	<u>769,541</u>

TAVIRA SECURITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

23. Related party transactions

During the year the group received other income from Tavira Holdings Limited of £850,000 (2018 - £1,328,657). No amounts were outstanding at the year end (2018 - £nil).

Group: Included within Cost of sales is £3,839,226 (2018 - £4,969,530) of introducing broker fees paid to Tavira Holdings Limited. No amounts were outstanding at the year end (2018 - £483,585).

24. Controlling party

The ultimate parent company is Tavira Holdings Limited, a company incorporated in the British Virgin Islands. The ultimate controlling party is E Goodfellow, a director of Tavira Monaco S.A.M..

25. IFPRU & country by country reporting

As an investment firm within the scope of the CRD IV, the Company must report certain information on its business on a country by country basis, known as Country-by-Country Reporting (CBCR). Article 89 of the Capital Requirements Regulation 2013 (CRR) imposes the ongoing CBCR reporting obligations on institutions in the United Kingdom within the scope of CRD IV.

The firm has published its annual reporting obligation for the year ended 31 March 2019 in these financial statements as follows:

i. Names of the company, subsidiaries or branches, nature of activities and geographical location	Notes 1, 13
ii. Turnover	Statement of Comprehensive Income
iii. Number of employees on a full time equivalent basis	Note 8
iv. Profit or loss before tax	Statement of Comprehensive Income
v. Tax on profit or loss	Note 10
vi. Public subsidies received	£nil

IFPRU 9 disclosures

The Company is required to disclose its return on assets, calculated as net profit divided by total balance sheet:

	2019	2018
i. Profit/(Loss) for the year	£316,861	£(176,863)
ii. Net assets	£1,268,161	£951,300
iii. Return on assets	26.11%	(18.59)%