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**YCM-INVEST LIMITED (FORMERLY FINOTEC TRADING UK LIMITED)**

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2022**

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**YCM-INVEST LIMITED**

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**COMPANY INFORMATION**

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**DIRECTORS**

D Essemini  
S Vladimirsky  
E Benkovich

**REGISTERED NUMBER**

06039502

**REGISTERED OFFICE**

35 Ballards Lane  
London  
N3 1XW

**INDEPENDENT AUDITORS**

BKL Audit LLP  
Chartered Accountants & Statutory Auditor  
35 Ballards Lane  
London  
N3 1XW

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**YCM-INVEST LIMITED**

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**STRATEGIC REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**INTRODUCTION**

The directors present their strategic report for the year ended 31 December 2022.

**ABOUT YCM-INVEST LTD**

YCM-Invest is a long-established financial services intermediary and investment management firm, operating an execution only trading platform and specializing in OTC and exchange-based trading venues.

YCM-Invest is incorporated in England and Wales and is authorised and regulated by the Financial Conduct Authority (registration number 470392). YCM-Invest is regulated on a solo basis because its holding company is outside of the European Union.

YCM-Invest's target market is that of Professional Traders, Asset Managers and Hedge Fund Operators. Its service consists primarily of the consolidation of multiple liquidity sources offered via API connections.

**BUSINESS REVIEW**

YCM-Invest provides a diverse range of customised services to its clientele, as well as the tools and systems needed to set up and operate their flourishing FX Business.

Since 2008, YCM-Invest has operated a Matched Principal business model, ensuring that its interests always align with those of its clients'. This decision was based on the realisation that its own earning potential shared strong correlation to its clients' Life-Time-Value; and in order to encourage a strong sentiment of success from its clients, it would need to match its clients' orders with the market, thereby removing any possible conflict of interest.

YCM-Invest offers execution and clearing as well as ancillary technology and investment management solutions to Professional Traders & Brokers, Investors, Asset Manager and Hedge Fund Operators.

YCM-Invest does not onboard or service retail clients.

Core to YCM-Invest's strategy is that it's a "serviced based" business and is not in the business of "taking risks". As a consolidator of liquidity, YCM-Invest is able to eliminate one of the most significant risks its business faces; by providing connectivity from a wide selection of liquidity providers, rather than a direct connection to a less broad selection.

This direction supports and facilitates:

- Confidence that clients are able to access the best available prices at any point of time
- Continuity of service in the event of a disruption to any single liquidity provider or connection

YCM-Invest mitigates its risk of being dependent on active clients by selectively negotiating minimum monthly volume fees, as well as monthly technology and/or service fees. These fees act as a source of stable income for the Firm, and are generated irrespective of whether the client has been sufficiently active during a given period.

Additionally, YCM-Invest's direct cost base is largely variable, which translates to a proportionate reduction in its cost base should the Firm experience a reduction in volume-based income, which did occur during 2022. YCM-Invest's fixed overhead costs are equally considered, with a relatively modest footprint for its size and scale, and in keeping with its position on the avoidance of unnecessary risk.

On the investment management side, YCM-Invest operates managed accounts, some of which trade using algorithms produced by our parent company, Yedidya Capital Markets, which is a private company incorporated in Israel. Yedidya Capital Markets continues to develop its risk management software with additional layers of

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**STRATEGIC REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

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artificial intelligence. The intention is to further refine the algorithm's decision based self-learning engine in order to better predict the impact of low volatility on the market.

YCM-Invest is now offering a new kind of managed account for investors whereby investor funds are allocated to the Portfolio Managers accounts of high performing traders who trade using YCM-Invest's brokerage services.

We use an IP that replays and calculates the "live" historical, day by day statistics of all traders that trade on the YCM-Invest platform, with specific focus on downside statistics to get a better appreciation of the risk a specific trader is ready to take in order to generate performances.

Our IP relies on a layer of Artificial Intelligence and then recognises patterns of statistic evolution that indicate the future probability of a trader continuing to perform successfully within an acceptable level of risk.

According to the traders' scorings, funds are allocated and their Portfolio Manager account is then monitored.

Traders who generate profit for our investors using their trading strategies receive up to 15% of that profit. This arrangement makes our brokerage platform an even more attractive option for successful traders since it allows for the potential to profit more from the trading strategies they use in correlation to the success of the trades undertaken.

Our view is to keep building our base of successful traders on our platform while simultaneously growing our AUM and thereby generating profit for both our investors and our traders.

**STRATEGIC REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

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**PRINCIPAL RISKS AND UNCERTAINTIES**

The main prudential risks faced by the firm are:

Credit and Counterparty Risk

Because YCM-Invest offers access to the market on a margin basis, there is a risk that our client may incur losses in excess of their initial deposits with us.

We believe that we have effectively mitigated this risk through the implementation of a conservative margining process. We have only once experienced a client debt, which came as the result of the decoupling of the Swiss Franc.

Conversely, we have credit and counterparty exposures on the market facing side of our business, however, as a Matched Principal broker, and by carefully selecting our market side counterparties, we can reduce this risk exposure, and have had over a period of 7 years a total of bad debts amounting to only £47k.

Market Risk

We do not run a proprietary trading book. However, we do have treasury balances in foreign currencies as a result of operational needs or the accrual of revenue in other currencies. We have traditionally accepted this as a cost of running our business rather than seeing it as a risk.

Liquidity Risk

A more pressing risk than credit risk is liquidity risk. In the event that a client was to lose more than they had deposited with us as margin, the exposure would be subject to only an 8% capital requirement until such time as it was collected. However, we would need to pay those losses to our market side broker immediately. We would therefore need 100% liquidity cover for any losses immediately – even if the debt were to be collected within hours.

We have three approaches to liquidity risk. First, our margining process, although designed primarily to address credit risk, seeks to prevent any potential debts in the first place. Second, we monitor our gross positions with our market side brokers on a daily basis alongside our available liquidity. We seek to ensure that our free liquidity is more than 20% of our largest gross currency position. We will adjust our margin requirements for relevant currency pairs if necessary to achieve this. We also set aside additional capital as a buffer to liquidity risk.

We are satisfied that this combination of tools has effectively mitigated our exposure to liquidity risk.

**CLIENT FUND PROTECTION**

Investors benefit from FSCS Deposit Protection. In addition, YCM-Invest provides client fund Insurance underwritten by Lloyds on client funds of GBP 500,000 per account (additional protection is available if required).

**GOING CONCERN**

The directors have reviewed their projections and forecasts and consider that they have adequate resources to continue to meet FCA capital adequacy requirements and future working capital.

STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2022

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**PERFORMANCE INDICATORS**

**YCM-Invest STAKEHOLDERS:**

The Directors of the Company are acutely aware of the requirement for them to act in a way they consider, in good faith, would be most likely to promote the success of the Company, for the benefit of its members as a whole. In considering this duty, the Directors consider the following

**Shareholders**

The Directors have regular contact with the shareholder in order to maximise the Company's long term growth prospects and the opportunity for a dividend stream.

**Customers**

The Company's diverse customer base ranges from large institutional clients to professional individual clients.

**Suppliers**

The company has various key supplier/vendor relationships which work more as a partnership to ensure the smooth running of the business as well as various streams of support where necessary.

**Community and the environment**

The Company actively seeks to reduce its carbon footprint by virtue of its entirely online and paperless business.

The Director also encourages regular attendance at industry related networking events in order to build and maintain strong relationships within the forex community.

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

**D Essemini**

Director

Date: 11 March 2024

**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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The directors present their report and the financial statements for the year ended 31 December 2022.

**DIRECTORS' RESPONSIBILITIES STATEMENT**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with 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 of the profit or loss of the Company for that period.

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

- select suitable accounting policies for the Company'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 Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements and other information included in Directors' Reports may differ from legislation in other jurisdictions.

**PRINCIPAL ACTIVITY**

The principal activity of the company in the period under review was that of brokerage in foreign exchange ("FX") and contracts for differences ("CFDs") mainly for professional clients.

**RESULTS AND DIVIDENDS**

The loss for the year, after taxation, amounted to £95,384 (2021 - profit £343,115).

The directors recommend that no dividend is paid.

**DIRECTORS**

The directors who served during the year were:

D Essemini  
S Vladimirsky  
E Benkovich



**DIRECTORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

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**FUTURE DEVELOPMENTS**

The future developments of the business are disclosed in the Strategic Report.

**DISCLOSURE OF INFORMATION TO AUDITORS**

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's auditors are 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's auditors are aware of that information.

**POST BALANCE SHEET EVENTS**

There have been no significant events affecting the Company since the year end.

**AUDITORS**

Under section 487 (2) of the Companies Act 2006, BKL Audit LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

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

**D Essemini**

Director

Date: 11 March 2024

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF YCM-INVEST LIMITED

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**OPINION**

We have audited the financial statements of YCM-Invest Limited (the 'Company') for the year ended 31 December 2022, which comprise the Statement of Income and Retained Earnings, the Statement of Financial Position, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**BASIS FOR OPINION**

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

**CONCLUSIONS RELATING TO GOING CONCERN**

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

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

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

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF YCM-INVEST LIMITED (CONTINUED)**

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**OTHER INFORMATION**

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The directors are responsible for the other information contained within the Annual Report. 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. 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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the 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 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF YCM-INVEST LIMITED (CONTINUED)

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**AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' 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 extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Enquiring of management around actual and potential litigation and claim;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance

with applicable laws and regulations;

- Performing audit work over the risks of management override of controls, including testing of journal entries

and other adjustments for appropriateness, evaluating business rationale of significant transactions outside

the normal course of business and reviewing accounting estimates for bias.

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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditors' Report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditors' Report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF YCM-INVEST LIMITED (CONTINUED)

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- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**USE OF OUR REPORT**

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Ian Saunderson FCA (Senior Statutory Auditor)

for and on behalf of

**BKL Audit LLP**

Chartered Accountants

Statutory Auditor

London

11 March 2024

YCM-INVEST LIMITED

STATEMENT OF INCOME AND RETAINED EARNINGS  
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 £	2021 £
Turnover	4	767,220	2,306,157
Cost of sales		(314,310)	(1,597,329)
<b>Gross profit</b>		<b>452,910</b>	<b>708,828</b>
Administrative expenses		(548,294)	(484,199)
Other operating income	5	-	118,486
<b>Operating (loss)/profit</b>	6	<b>(95,384)</b>	<b>343,115</b>
<b>(Loss)/profit after tax</b>		<b>(95,384)</b>	<b>343,115</b>
Retained earnings at the beginning of the year		(2,920,882)	(3,263,999)
		(2,920,882)	(3,263,999)
(Loss)/profit for the year		(95,384)	343,115
<b>Retained earnings at the end of the year</b>		<b>(3,016,266)</b>	<b>(2,920,884)</b>

The notes on pages 14 to 26 form part of these financial statements.

**YCM-INVEST LIMITED**  
**REGISTERED NUMBER: 06039502**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2022**

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Intangible assets	11	17,586	-
Tangible assets	12	510	510
		<u>18,096</u>	<u>510</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	13	3,435,333	2,801,648
Cash at bank and in hand	14	581,332	4,152,477
		<u>4,016,665</u>	<u>6,954,125</u>
Creditors: amounts falling due within one year	15	(2,938,067)	(5,762,558)
<b>Net current assets</b>		<u>1,078,598</u>	<u>1,191,567</u>
<b>Total assets less current liabilities</b>		<u>1,096,694</u>	<u>1,192,077</u>
<b>Net assets</b>		<u><u>1,096,694</u></u>	<u><u>1,192,077</u></u>
<b>Capital and reserves</b>			
Called up share capital	16	4,112,961	4,112,961
Profit and loss account	17	(3,016,267)	(2,920,884)
		<u><u>1,096,694</u></u>	<u><u>1,192,077</u></u>

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

**D Essemini**  
Director

Date: 11 March 2024

The notes on pages 14 to 26 form part of these financial statements.

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

	2022 £	2021 £
<b>Cash flows from operating activities</b>		
(Loss)/profit for the financial year	(95,384)	343,115
<b>Adjustments for:</b>		
Amortisation of intangible assets	-	67,178
Impairments of intangible fixed assets	29,325	-
Loss on disposal of tangible assets	-	(102,441)
(Increase) in debtors	(633,693)	(321,249)
(Decrease)/increase in creditors	(2,824,481)	1,021,451
<b>Net cash generated from operating activities</b>	<b>(3,524,233)</b>	<b>1,008,054</b>
<b>Cash flows from investing activities</b>		
Purchase of intangible fixed assets	(46,912)	(8,696)
Sale of intangible assets	-	100,000
Purchase of tangible fixed assets	-	(510)
<b>Net cash from investing activities</b>	<b>(46,912)</b>	<b>90,794</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(3,571,145)</b>	<b>1,098,848</b>
Cash and cash equivalents at beginning of year	4,152,477	3,053,629
<b>Cash and cash equivalents at the end of year</b>	<b>581,332</b>	<b>4,152,477</b>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	581,332	4,152,477
	<b>581,332</b>	<b>4,152,477</b>

The notes on pages 14 to 26 form part of these financial statements.



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**1. GENERAL INFORMATION**

The principal activity of Finotec Trading UK Limited ('the company') is that of brokerage in foreign exchange ("FX") and contracts for differences ("CFDs") mainly for professional clients.

The company is a private company limited by shares and is incorporated in England and Wales.

The principal place of business is; Mappin House, Oxford Circus, London, W1W 8HF.

**2. ACCOUNTING POLICIES**

**2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland ("FRS 102"), 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 judgment in applying the company's accounting policies (see note 3).

The following principal accounting policies have been applied:

**2.2 GOING CONCERN**

The financial statements have been prepared on the going concern basis, which assumes that the Company will continue to be able to meet its liabilities as they fall due for a period of at least twelve months from the date of approval of these financial statements.

The company made a loss of £95,384 during the year, reporting net current assets of £1,078,598 and an overall net asset position of £1,096,694. The Company, as for any business, relies upon the generation of profits and cash to create working capital to meet its liabilities as they fall due. Based on the results to date and future projections, the directors are confident that the Company will continue to meet its liabilities as they fall due, looking forward at least twelve months from the date of signing these financial statements. The directors have a reasonable expectation that the company has adequate resources to meet Financial Conduct Authority capital adequacy and future working capital requirements and to continue in operational existence for the foreseeable future and they consider it appropriate to prepare the financial statements on a going concern basis. As a result, the directors have prepared the financial statements on a going concern basis.

Although the Covid-19 pandemic has resulted in an uncertain environment, the directors have a reasonable expectation, based on their assessment of the Company's financial position and resources, that it will continue in operational existence for the foreseeable future, being a period of at least twelve months from the date of approval of these financial statements, and will be able to meet its debts as they fall due. The directors therefore continue to adopt the going concern basis of accounting in preparing the annual financial statements.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022

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**2. ACCOUNTING POLICIES (CONTINUED)**

**2.3 TURNOVER AND REVENUE RECOGNITION**

Turnover represents spread and commission income earned on brokerage services provided. It includes profits and losses on rolling spot foreign exchange trading and CFDs (contracts for difference).

Turnover is recognised when the trades are executed.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

**Rendering of services**

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

**2.4 INTANGIBLE ASSETS**

Cryptocurrencies are initially recognised at cost. After recognition, under the revaluation model, cryptocurrency assets shall be carried at a revalued amount, being its fair value at the date of revaluation, by reference to an active market, less any subsequent accumulated amortisation and subsequent impairment losses.

**2.5 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:

Fixtures and fittings	-	10%	straight line
Computer equipment	-	33%	straight line

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**2. ACCOUNTING POLICIES (CONTINUED)**

**2.6 IMPAIRMENT OF FIXED ASSETS AND GOODWILL**

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

**2.7 CASH AND CASH EQUIVALENTS**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

Cash equivalents represent balances held with the company's liquidity providers on a mark-to-market basis.

**2.8 FINANCIAL INSTRUMENTS**

The Company only enters into basic financial instruments and transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, and loans to related parties.

**(i) Financial assets**

Basic financial assets, including trade and other debtors, and amounts due from related companies, are initially recognised at transaction price, 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.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. 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 the Statement of Income and Retained Earnings.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**2. ACCOUNTING POLICIES (CONTINUED)**

**2.8 FINANCIAL INSTRUMENTS (CONTINUED)**

**(ii) Financial liabilities**

Basic financial liabilities, including trade and other creditors and accruals, 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 receipts discounted at a market rate of interest.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors 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.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

**2.9 FOREIGN CURRENCY TRANSLATION**

**Functional and presentation currency**

The company's functional and presentational currency is Sterling.

**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 at the year end. 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.

**2.10 OPERATING LEASES: THE COMPANY AS LESSEE**

Rentals paid under operating leases are charged to Statement of Income and retained earnings on a straight-line basis over the lease term.

**2.11 PENSIONS**

**DEFINED CONTRIBUTION PENSION PLAN**

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

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

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022

3.

**JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

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:

(i) Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

(ii) Useful economic lives of intangible assets

The annual amortisation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments and economic utilisation.

4. **TURNOVER**

An analysis of turnover by class of business is as follows:

	2022 £	2021 £
Brokerage services	<u>767,220</u>	<u>2,306,157</u>

All turnover arose within the United Kingdom.

5. **OTHER OPERATING INCOME**

	2022 £	2021 £
Furlough income	-	16,045
Profit on disposal of fixed assets	-	102,441
	<u>-</u>	<u>118,486</u>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022

6. OPERATING (LOSS)/PROFIT

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

	2022	2021
	£	£
Other operating lease rentals	5,663	9,265
Amortisation of intangible fixed assets	-	67,178
Defined contribution pension cost	<u>713</u>	<u>593</u>

7. AUDITORS' REMUNERATION

During the year, the Company obtained the following services from the Company's auditors and their associates:

	2022	2021
	£	£
Fees payable to the Company's auditors and their associates for the audit of the Company's financial statements	35,300	33,000
Fees payables to the company's auditor and its associates in respect of:		
All other services	<u>4,300</u>	<u>3,425</u>

8. EMPLOYEES

Staff costs, including directors' remuneration, were as follows:

	2022	2021
	£	£
Wages and salaries	115,297	106,071
Social security costs	3,413	3,572
Cost of defined contribution scheme	713	593
	<u>119,423</u>	<u>110,236</u>

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

	2022	2021
	No.	No.
Management and administration	<u>3</u>	<u>4</u>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022

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9. DIRECTORS' REMUNERATION

	2022	2021
	£	£
Directors' emoluments	115,297	106,071
Company contributions to defined contribution pension schemes	713	593
	<u>116,010</u>	<u>106,664</u>

During the year there were retirement benefits of £350 accruing to directors (2021 - £369) in respect of defined contribution pension schemes.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022

10. TAXATION

There is no tax provision in the financial statements due to the availability of tax losses.

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is lower than (2021 - lower than) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	2022 £	2021 £
(Loss)/profit on ordinary activities before tax	<u>(95,384)</u>	<u>343,115</u>
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	(18,123)	62,424
<b>EFFECTS OF:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	2,136	776
Capital allowances for year in excess of depreciation	5,572	10,663
Utilisation of tax losses	10,415	(73,863)
<b>TOTAL TAX CHARGE FOR THE YEAR</b>	<u>-</u>	<u>-</u>

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

The company has trading losses of approximately £2,991,880 (2021 - £2,930,000) that can be offset against future taxable profits. A deferred tax asset has not been recognised due to the uncertainty of future profits. The amount not provided for is approximately £820,000 (2021 - £740,000).



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022

## 11. INTANGIBLE FIXED ASSETS

	Crypto currency £
<b>COST</b>	
Additions	46,912
At 31 December 2022	46,912
<b>AMORTISATION</b>	
Impairment charge	29,326
At 31 December 2022	29,326
<b>NET BOOK VALUE</b>	
At 31 December 2022	17,586
<i>At 31 December 2021</i>	-

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**12. TANGIBLE FIXED ASSETS**

	Fixtures and fittings £	Computer equipment £	Total £
<b>COST OR VALUATION</b>			
At 1 January 2022	26,647	10,924	37,571
Disposals	(2,716)	(1,786)	(4,502)
	<u>23,931</u>	<u>9,138</u>	<u>33,069</u>
At 31 December 2022	23,931	9,138	33,069
<b>DEPRECIATION</b>			
At 1 January 2022	26,137	10,924	37,061
Disposals	(2,716)	(1,786)	(4,502)
	<u>23,421</u>	<u>9,138</u>	<u>32,559</u>
At 31 December 2022	23,421	9,138	32,559
<b>NET BOOK VALUE</b>			
At 31 December 2022	<u>510</u>	<u>-</u>	<u>510</u>
<i>At 31 December 2021</i>	<u>510</u>	<u>-</u>	<u>510</u>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022

13. DEBTORS

	2022 £	2021 £
Amounts owed by group undertakings	3,391,377	2,733,798
Other debtors	-	3,114
Prepayments and accrued income	43,956	64,736
	<u>3,435,333</u>	<u>2,801,648</u>

14. CASH AND CASH EQUIVALENTS

	2022 £	2021 £
Cash at bank and in hand	581,332	4,152,477
	<u>581,332</u>	<u>4,152,477</u>

Included within cash and cash equivalents is £260,207 (2021 - £1,435,726) held with the company's liquidity providers.

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Trade creditors	57,225	19,920
Other taxation and social security	1,858	2,745
Other creditors	528,380	433,790
Accruals and deferred income	35,300	22,840
Client deposits - professional	2,315,304	5,283,263
	<u>2,938,067</u>	<u>5,762,558</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**16. SHARE CAPITAL**

	2022 £	2021 £
<b>ALLOTTED, CALLED UP AND FULLY PAID</b>		
4,112,961 (2021 - 4,112,961) Ordinary shares of £1 each	<u><b>4,112,961</b></u>	<u><b>4,112,961</b></u>

**17. RESERVES****Profit and loss account**

This represents total undistributed profits.

**18. COMMITMENTS UNDER OPERATING LEASES**

At 31 December 2022 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2022 £	2021 £
Not later than 1 year	<b>450</b>	399
	<u><b>450</b></u>	<u><b>399</b></u>

**19. RELATED PARTY TRANSACTIONS**

During the prior year, the licensing software was sold to the ultimate parent undertaking is Yedidya Capital Markets Limited. The profit on disposal was included within profits on disposal of fixed assets within other operating income and amounted to £Nil (2021: £141,738).

Key management remuneration is detailed in note 8 above.

Included within directors' remuneration is a balance of £69,672 (2021 - £56,163) paid to a related party with a common director.

Amounts paid to Yedidya Capital Markets Limited as consultancy fees were £130,342 (2021 - £Nil).

Amounts paid to the director (Didier Essemi) for the purchase of Bitcoin £46,912 (2021 - £Nil).

Included within Client deposits - professional is a balance of £68,967 (2021 -£Nil) owed by the parent company.

Also included within Client deposits - professional is a balance of £1,497 (2021 - £1,262) owed to a director.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**20. CONTROLLING PARTY**

The ultimate parent undertaking is Yedidya Capital Markets Limited, a company incorporated in Israel, whose principal place of business is Rehov Kanfei Neshirim 68/108, 9546457 Jerusalem, Israel.

The ultimate controlling party is D Essemini.

**21. CLIENT MONEY**

The company previously held money on behalf of retail clients. These funds are held separately from money belonging to the company and are subject to the client money rules as prescribed by the Financial Conduct Authority. At no time does the company have any legal title to the monies. Accordingly, they are not reflected in the company's balance sheet. As at 31 December 2022, the balance held in client accounts was £Nil (2021 - £8,638).

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.