

Registered number: 06733944

Tower Trading Group Limited
Report And Financial Statements
31 December 2018

Rees Pollock
Chartered Accountants

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Tower Trading Group Limited

COMPANY INFORMATION

Directors	J R Taylor M G Finnegan J B G MacLeod
Company secretary	C H J Browne
Registered number	06733944
Registered office	3rd Floor Tower 42 25 Old Broad Street London EC2N 1HQ
Independent auditors	Rees Pollock 35 New Bridge Street London EC4V 6BW
Bankers	National Westminster Bank plc 135 Bishopsgate London EC2M 3UR

**GROUP STRATEGIC REPORT
For the Year Ended 31 December 2018**

Introduction

The principal activity of the group is dealing on its own account in a principal capacity on international futures and options exchanges, through its FCA Authorised and Regulated subsidiary TTG Capital Limited.

Business review

The Board are satisfied with the performance of the Group for the year 2018. A more detailed analysis of business review is contained in the strategic report of its principal operating subsidiary TTG Capital Limited. The Group's other subsidiary, Tower Broking Limited remained dormant throughout the year and the Group reduced its capital prior to the 2018 balance sheet date to its regulatory base capital requirement.

Principal risks and uncertainties

The Board determine the Group strategy and risk appetite along with designing and implementing a risk management framework to recognise the risks faced by the business and the steps to mitigate them.

The Board meet regularly to assess the current projections for profitability, capital management, risk management and business planning. The Group has exposure to the following areas of risk:

Market Risk:

The Group is exposed to market risk through trading positions entered into by its traders with the Group's clearers. The risk associated with this is managed and mitigated through real time risk monitoring and soft and hard risk limit parameters.

Credit Risk:

The Group has credit risk exposure to Banks and Clearing Institutions arising from funds deposited with those institutions for margin purposes and cash deposits. The Group mitigates risk of default by ensuring assets are divided amongst more than one counter party and those counter parties are well capitalised institutions.

Operational Risk:

The Group could experience operational risk as a result of losses through failure of personnel, technology platforms, and infrastructure or through external forces impacting any of these.

Foreign Exchange Risk:

The Group uses GBP as its functional currency. The majority of its operating expenses are denominated in GBP; however income is derived in many currencies giving rise to Foreign Exchange exposure. This risk is managed through constant review of currency balances and currency cash flow requirements.

Brexit:

The Group does face risk arising from Brexit, centred around its own operational continuity and general impact on market participation and liquidity. The Group has a plan to mitigate the impact on its operations, to ensure continuity of business. The impact on the wider market and liquidity remains unknown.

Financial key performance indicators

The Board report a profit after tax for the year of £1,338,518 (2017: £388,527). Operating profit was £1,778,190 (2017: £616,320) a 54% (2017: 18%) return on shareholders' funds. Operating profit as a percentage of turnover was 5% (2017: 8%) and gross profit increased 16% on 2017.

GROUP STRATEGIC REPORT (CONTINUED)
For the Year Ended 31 December 2018

This report was approved by the board on 23 May 2019 and signed on its behalf.



J. R. Taylor
Director

DIRECTORS' REPORT
For the Year Ended 31 December 2018

The directors present their report and the financial statements for the year ended 31 December 2018.

Results

The profit for the year, after taxation and minority interests, amounted to £1,339,911 (2017 - £394,091).

Directors

The directors who served during the year were:

J R Taylor
M G Finnegan
J B G MacLeod

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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group'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.

Disclosure of information to auditors

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

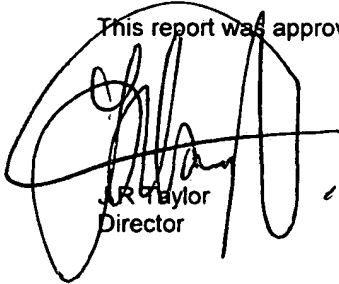
- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the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

DIRECTORS' REPORT (CONTINUED)
For the Year Ended 31 December 2018

Auditors

The auditors, Rees Pollock, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 23 May 2019 and signed on its behalf.



J.R. Taylor
Director

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF TOWER TRADING GROUP LIMITED

Opinion

We have audited the financial statements of Tower Trading Group Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2018, which comprise the Group statement of comprehensive income, the Group and Company balance sheets, the Group statement of cash flows, the Group and Company statement of changes in equity 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 Group's and of the parent Company's affairs as at 31 December 2018 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group 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

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.

Other information

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

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

We have nothing to report in this regard.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF TOWER TRADING GROUP LIMITED (CONTINUED)

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 group 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 group 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 Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the group 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 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 on page 3, 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 and 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.

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.

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 auditors' report.

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.

Jonathan Munday (senior statutory auditor)
for and on behalf of
Rees Pollock, Statutory Auditor

24 May 2019

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the Year Ended 31 December 2018

	Note	2018 £	2017 £
Turnover	2	32,583,651	7,460,011
Cost of sales		(24,001,103)	(36,519)
Gross profit		8,582,548	7,423,492
Administrative expenses		(6,804,358)	(6,807,172)
Operating profit	3	1,778,190	616,320
Interest receivable and similar income	1	4,332	225
Interest payable and expenses		(88,812)	(78,238)
Profit before taxation		1,693,710	538,307
Tax on profit	6	(355,192)	(149,780)
Profit for the financial year		1,338,518	388,527
Profit for the year attributable to:			
Non-controlling interests		(1,393)	(5,564)
Owners of the parent Company		1,339,911	394,091
		1,338,518	388,527

There were no recognised gains and losses for 2018 or 2017 other than those included in the consolidated statement of comprehensive income.

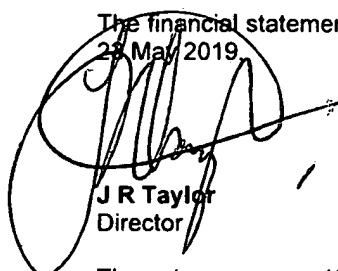
There was no other comprehensive income for 2018 (2017:£NIL).

The notes on pages 13 to 23 form part of these financial statements.

CONSOLIDATED BALANCE SHEET
As at 31 December 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	7	181,148	223,160
Current assets			
Debtors	9	26,088,053	25,335,336
Cash at bank and in hand		4,460,129	2,217,063
		<u>30,548,182</u>	<u>27,552,399</u>
Creditors: amounts falling due within one year	10	(25,913,706)	(24,298,453)
Net current assets		<u>4,634,476</u>	<u>3,253,946</u>
Net assets		<u><u>4,815,624</u></u>	<u><u>3,477,106</u></u>
Capital and reserves			
Called up share capital		11,786	11,786
Share premium account		164,660	164,660
Profit and loss account		4,639,178	3,145,315
Equity attributable to owners of the parent Company		<u>4,815,624</u>	<u>3,321,761</u>
Non-controlling interests		-	155,345
		<u><u>4,815,624</u></u>	<u><u>3,477,106</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 28 May 2019.


J R Taylor
 Director

The notes on pages 13 to 23 form part of these financial statements.

COMPANY BALANCE SHEET
As at 31 December 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible fixed assets		-	223,160
Investments		2,275,108	2,275,108
		<u>2,275,108</u>	<u>2,498,268</u>
Current assets			
Debtors	9	377,738	25,292,422
Cash at bank and in hand		1,223,209	2,288,372
		<u>1,600,947</u>	<u>27,580,794</u>
Creditors: amounts falling due within one year	10	(442,577)	(26,702,349)
Net current assets		<u>1,158,370</u>	<u>878,445</u>
Net assets		<u><u>3,433,478</u></u>	<u><u>3,376,713</u></u>
Capital and reserves			
Called up share capital		11,786	11,786
Share premium account		164,660	164,660
Profit and loss account brought forward		3,200,267	2,786,789
Profit for the year		56,765	413,478
		<u>3,257,032</u>	<u>3,200,267</u>
Profit and loss account carried forward		<u><u>3,433,478</u></u>	<u><u>3,376,713</u></u>

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

23 May 2019.

J R Taylor
Director

The notes on pages 13 to 23 form part of these financial statements.

Tower Trading Group Limited

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the Year Ended 31 December 2018

	Called up share capital £	Share premium account £	Profit and loss account £	Equity attributable to owners of parent Company £	Non- controlling interests £	Total equity £
At 1 January 2017	11,786	164,660	2,751,224	2,927,670	160,909	3,088,579
Profit for the year	-	-	394,091	394,091	(5,564)	388,527
At 1 January 2018	11,786	164,660	3,145,315	3,321,761	155,345	3,477,106
Profit for the year	-	-	1,339,911	1,339,911	(1,393)	1,338,518
Increase in interest in subsidiary	-	-	153,952	153,952	(153,952)	-
At 31 December 2018	11,786	164,660	4,639,178	4,815,624	-	4,815,624

The notes on pages 13 to 23 form part of these financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY
For the Year Ended 31 December 2018

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2017	11,786	164,660	2,786,789	2,963,235
Profit for the year	-	-	413,478	413,478
At 1 January 2018	11,786	164,660	3,200,267	3,376,713
Profit for the year	-	-	56,765	56,765
At 31 December 2018	11,786	164,660	3,257,032	3,433,478

The notes on pages 13 to 23 form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
For the Year Ended 31 December 2018

	2018 £	2017 £
Cash flows from operating activities		
Profit for the financial year	1,338,518	388,527
Adjustments for:		
Amortisation of intangible assets	-	111,544
Depreciation of tangible assets	89,365	85,346
Interest payable	88,812	78,238
Interest receivable	(4,332)	(225)
Taxation charge	355,192	149,780
(Increase)/decrease in debtors	(752,717)	1,210,332
Increase/(decrease) in creditors	1,412,378	(1,922,263)
Corporation tax (paid)/received	(152,317)	-
Net cash generated from operating activities	2,374,899	101,279
Cash flows from investing activities		
Purchase of tangible fixed assets	(47,353)	(78,260)
Interest received	4,332	225
Net cash from investing activities	(43,021)	(78,035)
Cash flows from financing activities		
Interest paid	(88,812)	(78,238)
Net cash used in financing activities	(88,812)	(78,238)
Net increase/(decrease) in cash and cash equivalents	2,243,066	(54,994)
Cash and cash equivalents at beginning of year	2,217,063	2,272,057
Cash and cash equivalents at the end of year	4,460,129	2,217,063
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	4,460,129	2,217,063

The notes on pages 13 to 23 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2018

1. Accounting policies

1.1 Basis of preparation of financial statements

Tower Trading Group Limited is a private limited company registered in England and Wales. Its registered address is 3rd Floor, Tower 42, 25 Old Broad Street, London, EC2N 1HQ.

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 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 preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. Management do not consider there are any key accounting estimates or assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

Management are also required to exercise judgement in applying the entity's accounting policies. Due to the straight forward nature of the business, management consider that no critical judgements have been made in applying the group's accounting policies.

1.2 Basis of consolidation

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

1.3 Going concern

The directors have prepared a forecast for the year ahead and based on this have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the directors adopt the going concern basis in preparing the financial statements.

1.4 Cash flow statement

The parent Company, being a qualifying entity according to section 1 of FRS 102, is exempt from the requirement to draw up a cash flow statement.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2018

1. Accounting policies (continued)

1.5 Turnover

Turnover comprises revenue recognised by the company in respect of services supplied during the year, exclusive of value added tax. Turnover is recognised in the following ways:

- With respect to trading capabilities provided to traders, recognised when provided.
- With respect to clearing fees and other commissions charged to traders, recognised when the related trade takes place.
- With respect to trading profits shared with traders:
 - where the company is directly exposed to significant risks giving rise to those profits, the profits are recognised as revenue as they arise. Profit shares payable to traders relating to these revenues are included as a cost of sale;
 - where the significant risks giving rise to those profits are borne by traders, any related share of profits due to the company is recognised as revenue as the profits arise.

1.6 Intangible assets

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. It is amortised to the profit and loss account over its estimated economic life.

The estimated useful lives range as follows:

Goodwill	- 5 years
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1.7 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation.

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:

Leasehold Improvements	- 5 years
Fixtures & fittings	- 4 years
Office equipment	- 4 years
Computer equipment	- 2 to 4 years

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.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2018

1. Accounting policies (continued)

1.8 Investments

Investments in subsidiaries are measured at cost less accumulated impairment.

1.9 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.

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.

1.10 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.

1.11 Operating leases

Rentals paid under operating leases are charged to the consolidated statement of comprehensive income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2018

1. Accounting policies (continued)

1.12 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.

1.13 Taxation

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.

2. Turnover

The whole of the turnover is attributable to the group's principal activity.

All turnover arose within the United Kingdom.

3. Operating profit

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

	2018	2017
	£	£
Depreciation of tangible fixed assets	89,365	85,346
Amortisation of intangible assets	-	111,544
Fees payable to the Group's auditor for the audit of the Company's annual financial statements	38,600	40,500
Exchange differences	60,222	(49,067)
Operating lease rentals	510,527	500,640
Pension costs	25,625	25,458

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2018

4. Employees

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

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Wages and salaries	1,807,903	1,478,467	-	1,478,179
Social security costs	224,097	163,709	-	163,709
Cost of defined contribution scheme	25,625	25,458	-	25,458
	2,057,625	1,667,634	-	1,667,346

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

	Group 2018 No.	Group 2017 No.	Company 2018 No.	Company 2017 No.
Administrative staff	23	21	4	21
Compliance and risk	5	5	-	5
	28	26	4	26

5. Directors' remuneration

	2018 £	2017 £
Directors' emoluments	267,000	313,490
	267,000	313,490

The highest paid director received remuneration of £165,000 (2017 - £180,240).

The total amounts paid to key management personnel of the group, inclusive of the amounts disclosed above, was £645,320 (2017: £694,490) of which £nil (2017: £694,490) was paid by the company.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2018

6. Taxation

	2018 £	2017 £
Current tax		
UK corporation tax on profits for the year	355,192	149,780
Factors affecting tax charge for the year		
The tax assessed for the year differs from the standard rate of corporation tax in the UK of 19% (2017 - 19.25%). The differences are explained below:		
	2018 £	2017 £
Profit on ordinary activities before tax	<u>1,693,710</u>	<u>563,258</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 19.25%)	321,805	108,427
Effects of:		
Other expenses not deductible for tax purposes	29,072	46,646
Deferred tax not provided	4,315	(5,293)
Total tax charge for the year	<u><u>355,192</u></u>	<u><u>149,780</u></u>

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2018

7. Tangible fixed assets

Group

	Leasehold improvements £	Fixtures & fittings £	Office equipment £	Computer equipment £	Total £
Cost					
At 1 January 2018	187,807	141,002	9,089	643,541	981,439
Additions	-	7,969	7,707	31,677	47,353
Disposals	-	-	-	(185,894)	(185,894)
At 31 December 2018	187,807	148,971	16,796	489,324	842,898
Depreciation					
At 1 January 2018	51,623	141,002	7,329	558,325	758,279
Charge for the year	37,705	-	2,333	49,327	89,365
Disposals	-	-	-	(185,894)	(185,894)
At 31 December 2018	89,328	141,002	9,662	421,758	661,750
Net book value					
At 31 December 2018	98,479	7,969	7,134	67,566	181,148
At 31 December 2017	136,184	-	1,760	85,216	223,160

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2018

7. Tangible fixed assets (continued)

Company

	Leasehold improvements £	Fixtures & fittings £	Computer equipment £	Total £
At 1 January 2018	187,807	141,002	652,630	981,439
Transfers intra group	(187,807)	(141,002)	(652,630)	(981,439)
At 31 December 2018	-	-	-	-
At 1 January 2018	51,623	141,002	565,654	758,279
Transfers intra group	(51,623)	(141,002)	(565,654)	(758,279)
At 31 December 2018	-	-	-	-
Net book value				
At 31 December 2018	-	-	-	-
At 31 December 2017	136,184	-	86,976	223,160

8. Fixed asset investments

Company

	Investments in subsidiary companies £
Cost	
At 1 January 2018	2,275,108
At 31 December 2018	2,275,108

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2018

8. Fixed asset investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Principal activity	Class of shares	Holding
Tower Broking Limited	Dormant	Ordinary	100%
Tower Metals Limited	Dormant	Ordinary	100%
Tsquared Trading Limited	Dormant	Ordinary	75%
TTG Capital Limited	Proprietary trading	Ordinary	100%

The registered office of all subsidiaries is 3rd Floor, Tower 42, 25 Old Broad Street, London, EC2N 1HQ.

9. Debtors

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Due after more than one year				
Other debtors	169,066	173,959	169,066	173,959
	<u>169,066</u>	<u>173,959</u>	<u>169,066</u>	<u>173,959</u>
Due within one year				
Trade debtors	39,375	376,089	-	375,858
Amounts owed by related undertakings	52,209	46,042	45,845	45,934
Balances held at financial intermediary	23,980,136	23,095,742	-	23,095,742
Other debtors	194,637	459,002	162,827	424,992
Called up share capital not paid	10	37,250	-	37,248
Prepayments and accrued income	1,652,620	857,592	-	849,029
Financial instruments	-	289,660	-	289,660
	<u>26,088,053</u>	<u>25,335,336</u>	<u>377,738</u>	<u>25,292,422</u>

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2018

10. Creditors: Amounts falling due within one year

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Trade creditors	202,785	388,716	-	387,760
Amounts owed to group undertakings	-	-	404,228	2,416,360
Amounts advanced by traders	23,980,136	23,095,742	-	23,095,742
Corporation tax	353,663	150,788	11,306	150,788
Other taxation and social security	135,691	97,975	-	97,975
Other creditors	171,092	287,553	27,043	287,545
Accruals and deferred income	1,070,339	277,679	-	266,179
	25,913,706	24,298,453	442,577	26,702,349

11. Share capital

	2018 £	2017 £
Allotted, called up and fully paid		
9,786 (2017 - 9,786) Ordinary shares of £1.00 each	9,786	9,786
Allotted, called up and partly paid		
2,000 (2017 - 2,000) Ordinary shares of £1.00 each	2,000	2,000

12. Pension commitments

The Group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. Contributions totalling £nil (2017 - £nil) were payable to the fund at the balance sheet date.

13. Commitments under operating leases

At 31 December 2018 the Group and the Company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2018 £	Group 2017 £
Not later than 1 year	476,508	46,497
Later than 1 year and not later than 5 years	748,582	1,198,553
	1,225,090	1,245,050

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2018

14. Related party transactions

The Directors consider the following companies to be related parties for which during the year there are material transaction flows between these companies and the Group:

- The Trading Room Limited (Registered in Gibraltar) has key management personnel in common with Tower Trading Group Limited
- Tower Spreads Limited (Registered in the United Kingdom) under common control of Tower Trading Group Limited Shareholders
- Ostro Capital Management Limited (Registered in the United Kingdom) has key management personnel in common with Tower Trading Group Limited.

The Trading Room Limited is a Gibraltar based company which provides services to its clients in the same manner as the company.

Ostro Capital Management Limited operates as developer of software for use amongst the trading community.

The year end balances with the companies listed above are as follows:

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
The Trading Room Limited	30,655	25,680	25,591	25,680
Tower Spreads Limited	21,454	20,254	20,254	20,254
Ostro Capital Management Limited	-	-	-	-

The interaction between the company and these entities is extensive and the Directors consider it would be onerous to disclose their details.

15. Controlling party

In the opinion of the directors there is no single controlling party.