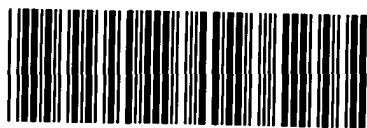


Registered number: 06733944

**Tower Trading Group Limited**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**For the Year Ended 31 December 2021**

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COMPANIES HOUSE

**Tower Trading Group Limited**  
**COMPANY INFORMATION**

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**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**

Blick Rothenberg Audit LLP  
16 Great Queen Street  
London  
WC2B 5AH

**Bankers**

National Westminster Bank plc  
135 Bishopsgate  
London  
EC2M 3UR

**Tower Trading Group Limited**  
**GROUP STRATEGIC REPORT**  
**For the Year Ended 31 December 2021**

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**Introduction**

The primary 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 through 2021. A more detailed analysis of the business review is contained in the strategic report of its principal operating subsidiary TTG Capital Limited. The Group's other subsidiaries remained dormant throughout the year, including the Group's Malta based subsidiaries.

**Principal risks and uncertainties**

The board determine the firm's strategy and risk appetite together with designing and implementing a risk management framework to recognise the risks faced by the Group 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 on the Group's own account. The risk associated with this is managed and mitigated through real time risk monitoring and management together with 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 the risk of effect of default by ensuring assets are divided across more than one counterparty and that those institutions are well capitalised institutions.

**Operational Risk:**

The Group is exposed to operation risk and this could result in losses through failure of personnel, technology platforms, infrastructure or any external forces impacting these. The Group mitigates these possibilities through its risk framework, Business Continuity Plan and Disaster Recovery Plan.

**Liquidity Risk:**

The Group is exposed to liquidity risk through having insufficient liquid resources to meet margin calls and/or operational liabilities as they fall due. The Group actively manages its liquidity and the liquidity of its assets to ensure it mitigates against the risk of insufficient liquidity. Assets held are predominantly held in cash and are liquid in nature, and the Group additionally manages where it holds those assets in order to ensure it can meet margin obligations as required in addition to ensuring it can meet its operational liabilities as they fall due and all operational cash flow requirements. The Group's liquidity and liquidity requirements are actively monitored on a continuous basis.

**Covid-19:**

During the early stages of 2020 the Group undertook to invoke part of its Business Continuity Plan in anticipation of the effect of the global pandemic and realistic prospect of lockdown. As the lockdown came into reality, the Group had already taken steps to ensure that its critical business operations could continue and the risks of the firm could be robustly managed particularly at a time of extreme volatility in global financial markets. The Group's plan and its implementation were designed to ensure the continued wellbeing of the Group's personnel. The Group faces additional risk from extreme market volatility and possible decrease in market liquidity, the Group pre-empted this possibility as far as possible with reviews of product exposures and product risk limits.

**Tower Trading Group Limited**

**GROUP STRATEGIC REPORT (CONTINUED)**  
**For the Year Ended 31 December 2021**

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**Principal risks and uncertainties (continued)**

*Foreign Exchange Risk:*

The Group utilises 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 from Brexit, centred around financial services regulation, market access, its own operational continuity and general impact on the market and its liquidity. The Group has a plan to mitigate the impact on its operations and ensure continuity of business. The impact on the wider market and liquidity remains unknown.

**Financial key performance indicators**

The Board report a loss after tax for the year of £5,258 (2020: profit of £1,102,218). Operating loss was £267,452 (2020: Operating profit of £802,852) a -3.8% (2020: 13.7%) return on shareholders' funds. Operating profit as a percentage of turnover was -1.0% (2020: 1.0%).

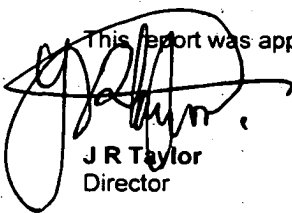
**Directors' statement of compliance with duty to promote the success of the Group**

The directors are aware of their duties under section 172 of the Companies Act 2006 to act in the way which they consider, in good faith, would be most likely to promote the success of the group for the benefit of its members as a whole, and in doing to have regard (amongst other matters) to:

- (a) the likely consequences of any decision in the long term;
- (b) the interests of the company's employees;
- (c) the need to foster the company's business relationships with suppliers, customers and others;
- (d) the impact of the company's operations on the community and the environment;
- (e) the desirability of the company maintaining a reputation for high standards of business conduct; and
- (f) the need to act fairly as between members of the company.

In carrying out their duties, the directors seek effective engagement with key stakeholders, including clients, employees and shareholders, and recognise the importance of their interests to the long term commercial success of the group.

This report was approved by the board on 13 January 2023 and signed on its behalf.



**J R Taylor**  
Director

**Tower Trading Group Limited**

**DIRECTORS' REPORT**

**For the Year Ended 31 December 2021**

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The directors present their report and the financial statements for the year ended 31 December 2021.

**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.

**Results**

The loss for the year, after taxation, amounted to £5,258 (2020 - profit £1,102,218).

During the year the board approved the payment of a dividend of £3,000,000 to the company's shareholders. No subsequent dividends have been proposed.

**Directors**

The directors who served during the year were:

J R Taylor  
M G Finnegan  
J B G MacLeod

**Tower Trading Group Limited**

**DIRECTORS' REPORT (CONTINUED)**  
**For the Year Ended 31 December 2021**

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**Disclosure of information to auditors**

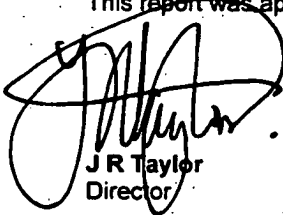
Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- 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.

**Auditors**

The auditors, Blick Rothenberg Audit LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 13 January 2023 and signed on its behalf.



**J R Taylor**  
Director

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS  
OF TOWER TRADING GROUP LIMITED  
For the Year Ended 31 December 2021**

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**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 2021, which comprise the Group statement of comprehensive income, the Group and Company balance sheets, the Group and Company statement of changes in equity, the Group 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 Group's and of the parent Company's affairs as at 31 December 2021 and of the Group's 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 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**

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the parent 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 SHAREHOLDERS  
OF TOWER TRADING GROUP LIMITED (CONTINUED)  
For the Year Ended 31 December 2021**

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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 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 set out 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.



**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS  
OF TOWER TRADING GROUP LIMITED (CONTINUED)  
For the Year Ended 31 December 2021**

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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 Group 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:

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, and noncompliance with laws and regulations, our procedures included the following: enquiring of management concerning the Company's policies with regards identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance; enquiring of management concerning the Company's policies detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; enquiring of management concerning the Company's policies in relation to the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations; discussing among the engagement team where fraud might occur in the financial statements and any potential indicators of fraud; and obtaining an understanding of the legal and regulatory framework that the Company operates in and focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of the Company. The key laws and regulations we considered in this context included the UK Companies Act and applicable tax legislation.

A particular focus area included the risk of fraud through management override of controls. Our procedures to respond to risks identified included the following: performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; reviewing the bank statements of the Company for evidence of any large or unusual activity which may be indicative of fraud; enquiring of management in relation to any potential litigation and claims; and testing the appropriateness of journal entries and other adjustments.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

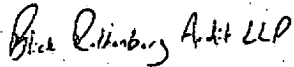
**Tower Trading Group Limited**

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS  
OF TOWER TRADING GROUP LIMITED (CONTINUED)  
For the Year Ended 31 December 2021**

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**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.



Peter Scott (senior statutory auditor)  
for and on behalf of  
**Blick Rothenberg Audit LLP**  
Chartered Accountants  
Statutory Auditor  
16 Great Queen Street  
London  
WC2B 5AH

17 January 2023

**Tower Trading Group Limited**

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
For the Year Ended 31 December 2021

	Note	2021 £	2020 £
Turnover	2	27,699,250	82,359,218
Cost of sales		(20,582,927)	(72,830,519)
<b>Gross profit</b>		<b>7,116,323</b>	<b>9,528,699</b>
Administrative expenses		(7,383,775)	(8,725,847)
<b>Operating (loss)/profit</b>	3	<b>(267,452)</b>	<b>802,852</b>
Profit on disposal of investments		15,302	-
Interest receivable and similar income		57,897	81,984
Interest payable and similar expenses		(23,296)	(165,988)
<b>(Loss)/profit before taxation</b>		<b>(217,549)</b>	<b>718,848</b>
Tax on (loss)/profit	6	212,291	383,370
<b>(Loss)/profit for the financial year</b>		<b>(5,258)</b>	<b>1,102,218</b>
<b>(Loss)/profit for the year attributable to:</b>			
Owners of the parent Company		(5,258)	1,102,218
		<b>(5,258)</b>	<b>1,102,218</b>

There were no recognised gains and losses for 2021 or 2020 other than those included in the consolidated statement of comprehensive income.

There was no other comprehensive income for 2021 (2020: £NIL).

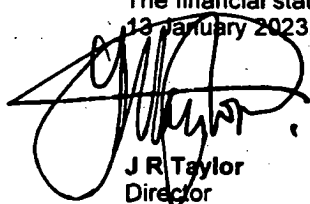
The notes on pages 15 to 27 form part of these financial statements.

## Tower Trading Group Limited

**CONSOLIDATED BALANCE SHEET**  
As at 31 December 2021

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Tangible fixed assets		170,505	218,319
<b>Current assets</b>			
Debtors	10	36,635,738	49,765,819
Cash at bank and in hand		2,163,957	4,411,908
		<u>38,799,695</u>	<u>54,177,727</u>
Creditors: amounts falling due within one year	11	(34,992,574)	(47,413,162)
<b>Net current assets</b>		<u>3,807,121</u>	<u>6,764,565</u>
<b>Total assets less current liabilities</b>		<u>3,977,626</u>	<u>6,982,884</u>
<b>Net assets</b>		<u>3,977,626</u>	<u>6,982,884</u>
<b>Capital and reserves</b>			
Called up share capital	12	12,456	12,456
Share premium account		164,660	164,660
Profit and loss account		3,800,510	6,805,768
<b>Equity attributable to owners of the parent Company</b>		<u>3,977,626</u>	<u>6,982,884</u>
		<u>3,977,626</u>	<u>6,982,884</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 13 January 2023.



J R Taylor  
Director

The notes on pages 15 to 27 form part of these financial statements.

**Tower Trading Group Limited**  
**COMPANY BALANCE SHEET**  
**As at 31 December 2021**

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Investments	9	2,002,244	2,052,416
<b>Current assets</b>			
Debtors	10	1,113,547	1,419,407
Cash at bank and in hand		1,111,951	442,413
		<u>2,225,498</u>	<u>1,861,820</u>
Creditors: amounts falling due within one year	11	(1,653,863)	(270,032)
<b>Net current assets</b>		<u>571,635</u>	<u>1,591,788</u>
<b>Total assets less current liabilities</b>		<u>2,573,879</u>	<u>3,644,204</u>
<b>Net assets</b>		<u>2,573,879</u>	<u>3,644,204</u>
<b>Capital and reserves</b>			
Called up share capital	12	12,456	12,456
Share premium account		164,660	164,660
Profit and loss account brought forward		3,467,088	3,306,642
Profit for the year		1,929,675	160,446
		<u>(3,000,000)</u>	<u>-</u>
Dividends: Equity capital			
Profit and loss account carried forward		<u>2,396,763</u>	<u>3,467,088</u>
		<u>2,573,879</u>	<u>3,644,204</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 13 January 2022.

  
J R Taylor  
Director

The notes on pages 15 to 27 form part of these financial statements.

Tower Trading Group Limited

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
For the Year Ended 31 December 2021

	Called up share capital £	Share premium account £	Profit and loss account £	Equity attributable to owners of parent Company £	Total equity £
<b>At 1 January 2020</b>	11,786	164,660	5,703,550	5,879,996	5,879,996
Profit for the year	-	-	1,102,218	1,102,218	1,102,218
Shares issued during the year	670	-	-	670	670
<b>At 1 January 2021</b>	12,456	164,660	6,805,768	6,982,884	6,982,884
Loss for the year	-	-	(5,258)	(5,258)	(5,258)
Dividends: Equity capital	-	-	(3,000,000)	(3,000,000)	(3,000,000)
<b>At 31 December 2021</b>	12,456	164,660	3,800,510	3,977,626	3,977,626

The notes on pages 15 to 27 form part of these financial statements.

**Tower Trading Group Limited****COMPANY STATEMENT OF CHANGES IN EQUITY**  
**For the Year Ended 31 December 2021**

	<b>Called up share capital</b>	<b>Share premium account</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
At 1 January 2020	11,786	164,660	3,306,642	3,483,088
Profit for the year	-	-	160,446	160,446
Shares issued during the year	670	-	-	670
At 1 January 2021	12,456	164,660	3,467,088	3,644,204
Profit for the year	-	-	1,929,675	1,929,675
Dividends: Equity capital	-	-	(3,000,000)	(3,000,000)
At 31 December 2021	12,456	164,660	2,396,763	2,573,879

The notes on pages 15 to 27 form part of these financial statements.

**Tower Trading Group Limited**

**CONSOLIDATED STATEMENT OF CASH FLOWS**  
For the Year Ended 31 December 2021

	2021 £	2020 £
<b>Cash flows from operating activities</b>		
(Loss)/profit for the financial year	(5,258)	1,102,218
<b>Adjustments for:</b>		
Depreciation of tangible assets	111,595	110,282
Interest payable	23,296	165,988
Interest receivable	(57,987)	(81,984)
Taxation charge	(212,291)	(383,370)
Decrease in debtors	132,219	564,724
(Decrease)/increase in creditors	(495,062)	566,554
Corporation tax received/(paid)	385,025	(277,093)
<b>Net cash generated from operating activities</b>	<u>(118,463)</u>	<u>1,767,319</u>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(63,781)	(195,445)
Interest received	7,699	7,505
Loan repayments received	949,890	160,520
<b>Net cash from investing activities</b>	<u>893,808</u>	<u>(27,420)</u>
<b>Cash flows from financing activities</b>		
Dividends paid	(3,000,000)	-
Interest paid	(23,296)	(165,988)
<b>Net cash used in financing activities</b>	<u>(3,023,296)</u>	<u>(165,988)</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<u>(2,247,951)</u>	<u>1,573,911</u>
Cash and cash equivalents at beginning of year	4,411,908	2,837,997
<b>Cash and cash equivalents at the end of year</b>	<u><u>2,163,957</u></u>	<u><u>4,411,908</u></u>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	<u><u>2,163,957</u></u>	<u><u>4,411,908</u></u>

The notes on pages 15 to 24 form part of these financial statements.



**Tower Trading Group Limited**

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended 31 December 2021**

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**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. Details of its principal activity are given in the Strategic Report.

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.

**Tower Trading Group Limited**

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended 31 December 2021**

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**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 profit or loss.

**1.8 Investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

**1. Accounting policies (continued)**

**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 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 in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

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 Dividends**

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

**1.12 Operating leases**

Rentals paid under operating leases are charged to profit or loss 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.

**Tower Trading Group Limited**

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended 31 December 2021**

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**1. Accounting policies (continued)**

**1.13 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 profit or loss 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.

**1.14 Taxation**

Tax is recognised in profit or loss 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 (loss)/profit**

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

	2021 £	2020 £
Depreciation of tangible fixed assets	111,595	110,282
Fees payable to the Group's auditor for the audit of the Company's annual financial statements	52,800	52,800
Fees payable to the Group's auditor for non-audit services	13,000	13,000
Exchange differences	(27,635)	(53,482)
Operating lease rentals	409,070	554,134

**Tower Trading Group Limited**

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended 31 December 2021**

**4. Employees**

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

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

	<b>Group 2021 No.</b>	<b>Group 2020 No.</b>	<b>Company 2021 No.</b>	<b>Company 2020 No.</b>
Administrative staff	17	19	3	3
Compliance and risk	8	9	-	-
Information Technology	5	4	-	-
	<b>30</b>	<b>32</b>	<b>3</b>	<b>3</b>

**5. Directors' remuneration**

	<b>2021 £</b>	<b>2020 £</b>
Directors' emoluments	267,000	267,000
Group contributions to defined contribution pension schemes	8,010	8,010
	<b>275,010</b>	<b>275,010</b>

The highest paid director received remuneration of £165,000 (2020 - £165,000).

The value of the Group's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £4,950 (2020 - £4,950).

The total amounts paid to key management personnel of the group, inclusive of the amounts disclosed above was £647,781 (2020: £692,781) in respect of emoluments £19,360 (2020: £19,434) in respect of defined contribution pension schemes of which £nil (2020: £nil) was paid by the company.

**Tower Trading Group Limited**

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended 31 December 2021**

**6. Taxation**

	2021 £	2020 £
<b>Current tax</b>		
UK Corporation tax on profits for the year	-	125,968
Adjustments in respect of previous periods	(212,291)	(509,338)
	<u>(212,291)</u>	<u>(383,370)</u>
<b>Total current tax</b>	<u>(212,291)</u>	<u>(383,370)</u>
<b>Total deferred tax</b>	-	-
<b>Taxation on loss on ordinary activities</b>	<u>(212,291)</u>	<u>(383,370)</u>

**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% (2020 - 19%). The differences are explained below:

	2021 £	2020 £
(Loss)/profit on ordinary activities before tax	<u>(217,549)</u>	<u>718,848</u>
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	(41,334)	136,581
<b>Effects of:</b>		
Expenses not deductible for tax purposes	5,835	8,260
Deferred tax not provided	38,406	(18,873)
Adjustments to tax charge in respect of prior periods	(212,291)	(509,338)
Non-taxable gain on disposal of subsidiary	(2,907)	-
<b>Total tax charge for the year</b>	<u>(212,291)</u>	<u>(383,370)</u>

Adjustments to prior year tax charges include the net effect of research and development claims made against expenditure incurred in prior years.

**Factors that may affect future tax charges**

The Group has not recognised a deferred tax asset of £10,808 (2020: provision of £25,825) on the grounds that it is immaterial.

**Tower Trading Group Limited**

**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year Ended 31 December 2021

**7. Dividends**

	2021 £	2020 £
<b>Ordinary</b>		
Ordinary shares	3,000,000	-
	<u>3,000,000</u>	<u>-</u>

**8. Tangible fixed assets**

**Group**

	Leasehold improvements £	Fixtures & fittings £	Office equipment £	Computer equipment £	Total £
<b>Cost</b>					
At 1 January 2021	237,634	160,504	38,232	645,322	1,081,692
Additions	41,755	-	-	22,026	63,781
At 31 December 2021	<u>279,389</u>	<u>160,504</u>	<u>38,232</u>	<u>667,348</u>	<u>1,145,473</u>
<b>Depreciation</b>					
At 1 January 2021	170,355	141,002	10,648	541,368	863,373
Charge for the year	36,590	-	24,308	50,697	111,595
At 31 December 2021	<u>206,945</u>	<u>141,002</u>	<u>34,956</u>	<u>592,065</u>	<u>974,968</u>
<b>Net book value</b>					
At 31 December 2021	<u>72,444</u>	<u>19,502</u>	<u>3,276</u>	<u>75,283</u>	<u>170,505</u>
At 31 December 2020	<u>67,279</u>	<u>19,502</u>	<u>27,584</u>	<u>103,954</u>	<u>218,319</u>

**Tower Trading Group Limited**

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended 31 December 2021**

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**9. Fixed asset investments**

**Company**

	<b>Investments in subsidiary companies £</b>
<b>Cost or valuation</b>	
At 1 January 2021	<b>2,052,416</b>
Disposals	<b>(50,172)</b>
At 31 December 2021	<b><u>2,002,244</u></b>



**Tower Trading Group Limited**

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended 31 December 2021**

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**9. Fixed asset investments (continued)**

**Subsidiary undertakings**

The following were subsidiary undertakings of the Company:

<b>Name</b>	<b>Incorporated in</b>	<b>Principal activity</b>	<b>Class of shares</b>	<b>Holding</b>
Tower Metals Limited	UK	Dormant	Ordinary	100%
TTG Capital Limited	UK	Proprietary trading	Ordinary	100%
TTG Capital (Europe) Holdings Limited	Malta	Dormant	Ordinary	100%
TTG Capital (Europe) Limited*	Malta	Dormant	Ordinary	100%

\* shares held indirectly

On 30 September 2021, the group disposed of its subsidiary Tower BC Limited. See note 16 for further details.

**Tower Trading Group Limited**

**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year Ended 31 December 2021

**10. Debtors**

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
<b>Due after more than one year</b>				
Other debtors	66,358	166,779	66,358	166,779
	<u>66,358</u>	<u>166,779</u>	<u>66,358</u>	<u>166,779</u>
<b>Due within one year</b>				
Amounts owed by related undertakings	758,571	25,591	758,571	93,194
Balances held at financial intermediary	33,901,970	45,703,866	-	-
Other debtors	550,597	1,724,315	288,618	1,159,434
Prepayments and accrued income	1,358,242	2,145,268	-	-
	<u>36,635,738</u>	<u>49,765,819</u>	<u>1,113,547</u>	<u>1,419,407</u>

**11. Creditors: Amounts falling due within one year**

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Trade creditors	29,968	43,743	-	-
Amounts owed to related undertakings	11,215	12,633	1,595,578	213,099
Amounts owed to associates	33,901,955	45,703,851	-	-
Corporation tax	-	123,630	-	29,890
Other taxation and social security	67,811	78,958	-	-
Other creditors	252,526	206,563	52,285	27,043
Accruals and deferred income	729,099	1,243,784	6,000	-
	<u>34,992,574</u>	<u>47,413,162</u>	<u>1,653,863</u>	<u>270,032</u>

**12. Share capital**

	2021 £	2020 £
<b>Allotted, called up and fully paid</b>		
12,456 (2020 - 12,456) Ordinary shares of £1.00 each	<u>12,456</u>	<u>12,456</u>

**Tower Trading Group Limited****NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended 31 December 2021****13. 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 £11,672 (2020 - £8,105) were payable to the fund at the balance sheet date.

**14. Commitments under operating leases**

At 31 December 2021 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	<b>Group 2021 £</b>	<b>Group 2020 £</b>
Not later than 1 year	-	311,093
	<u>-</u>	<u>311,093</u>

On 24 February 2022, the group renewed its existing lease for the period of 27 September 2021 to 26 September 2022. The commitment entered into at that date was for £186,346.

**15. Analysis of net debt**

	<b>At 1 January 2021 £</b>	<b>Cash flows £</b>	<b>At 31 December 2021 £</b>
Cash at bank and in hand	4,411,908	(2,247,951)	2,163,957
	<u>4,411,908</u>	<u>(2,247,951)</u>	<u>2,163,957</u>

**Tower Trading Group Limited**

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended 31 December 2021**

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**16. 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 BC Limited (formerly Tower Broking Limited) (Registered in the United Kingdom), has key management personnel in common with Tower Trading Group Limited.
- Ostro Capital Management Limited (Registered in the United Kingdom) has key management personnel in common with Tower Trading Group Limited.

Tower BC Limited is a private limited company with a focus on Cryptocurrency trading.

The Trading Room Limited is a Gibraltar based company which provides services to its traders 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:

**Tower Trading Group Limited****NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended 31 December 2021**

	<b>Group 2021 £</b>	<b>Group 2020 £</b>	<b>Company 2021 £</b>	<b>Company 2020 £</b>
The Trading Room Limited	17,789	25,591	25,591	25,591
Tower BC Limited	732,980	-	732,980	(14,422)
Ostro Capital Management Limited	-	-	-	-

During the year, the group charged The Trading Room and Tower BC desk fees. TTR was charged £6,000 and Tower BC was charged £4,680 & \$12,251 during the period after disposal.

**J&G Investments Limited**

During the year ended 31 December 2020 a debtor balance of £1,260,039 owed to the company ('TTG') by a third party was reassigned to J & G Investments Limited ('J & G'), a company controlled by directors of TTG.

During the year ended 31 December 2021 an amount of £949,890 was repaid by J & G, which discharged the principal on debt owed to TTG. Interest of £50,198 (2020: 74,479) was charged by TTG to J & G during the year. At 31 December 2021 a debtor balance of £215,460 (2020: £1,145,937) was owed to the company by J & G. The amount outstanding at 31 December 2021 was repaid during the year ended 31 December 2022.

**Tower BC Limited**

On 30 September 2021 the group disposed of Tower BC Limited, a wholly owned subsidiary, to a director of TTG for a consideration of £60,331. The company earned no revenue prior to its disposal and incurred £5,302 of expenses. The group recognised a profit of £15,302 in relation to this transaction.

At 31 December 2021 £60,331 was owed to TTG in relation to this transaction. At 31 December 2021, the group was owed £732,980 by Tower BC, primarily due to short term funding supplied to it. The amounts outstanding at 31 December 2021 were repaid during the year ended 31 December 2022.

**17. Controlling party**

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