

Company Registration No. 07467967 (England and Wales)

TRADERIVER (UK) LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018
PAGES FOR FILING WITH REGISTRAR

TRADERIVER (UK) LIMITED

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TRADERIVER (UK) LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2018

	Notes	2018 £	2017 £
Fixed assets			
Intangible assets	4	309,423	397,098
Tangible assets	5	5,945	6,084
Investments	6	-	100
		<u>315,368</u>	<u>403,282</u>
Current assets			
Debtors	8	9,366,158	13,599,015
Cash at bank and in hand		336,885	278,983
		<u>9,703,043</u>	<u>13,877,998</u>
Creditors: amounts falling due within one year	9	<u>(10,081,318)</u>	<u>(14,002,054)</u>
Net current liabilities		<u>(378,275)</u>	<u>(124,056)</u>
Total assets less current liabilities		<u>(62,907)</u>	<u>279,226</u>
Creditors: amounts falling due after more than one year	10	<u>(782,806)</u>	<u>(782,806)</u>
Net liabilities		<u><u>(845,713)</u></u>	<u><u>(503,580)</u></u>
Capital and reserves			
Called up share capital	12	522,647	522,647
Profit and loss reserves		<u>(1,368,360)</u>	<u>(1,026,227)</u>
Total equity		<u><u>(845,713)</u></u>	<u><u>(503,580)</u></u>

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 31 December 2019 and are signed on its behalf by:

R Fossett
Director

Company Registration No. 07467967

TRADERIVER (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

Company information

Traderiver (UK) Limited is a private company limited by shares incorporated in England and Wales. The registered office is 12th Floor, 6 New Street Square, London, EC4A 3BF. The principal place of business is Salisbury House, London Wall, London, EC2M 5QQ.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

The company has net liabilities of £845,713 (2017: £503,580) and net current liabilities of £62,907 (2017: net current assets £279,226).

The directors have carried out a detailed review of the company's financial position including a review of cash flows, projections, forecasts, current pipeline and availability of and access to ongoing funding.

Since the balance sheet date the company and its parent have finalised and approved the issue of £300,000 of unsecured convertible loan notes which are fully subscribed.

The company has received assurances from its major shareholder confirming that it will continue to provide financial support to the company and its parent until 31 December 2020. The major shareholder's financial support will ensure that the company and its parent:

- are able to maintain adequate financial resources, and
- remain in a position to meet their financial obligations.

The directors monitor the ongoing availability of non-shareholder funding and believe that adequate resources will continue to be made available in order to finance the current and projected pipeline.

Having regard to the aforementioned, at the time of approving the financial statements, the directors are of the opinion that the company will continue to be able to meet its financial obligations as they fall due and to continue in operational existence for at least the next twelve months from the date of approval of the accounts. As such, the company continues to adopt the going concern basis in preparing its financial statements.

In considering the company's ability to continue as a going concern, the directors have carried out a detailed review of the key judgments and sources of estimation uncertainty as presented in note 2.

TRADERIVER (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

1.3 Turnover

Revenue represents amounts receivable for interest, fees and commissions earned from the provision of trade finance, net of rebates, and is accrued at its effective interest rate over the duration of the period from the date that the customer receives the trade finance to the date of expiry of the agreed credit terms. Late payment charges receivable on overdue sales invoices are accrued in accordance with the underlying agreements with the customers.

Turnover is recognised at the fair value of the consideration received or receivable for services provided in the normal course of business. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Interest income is recognised when it is probable that the economic benefits will flow to the company and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and the effective interest rate applicable.

1.4 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably.

Software development costs are recognised as an intangible asset when all of the following criteria are demonstrated:

- Technical feasibility of completing the software so that it will be available for use or sale.
- The intention to complete the software and use or sell it.
- The ability to use the software or to sell it.
- How the software will generate probable future economic benefits.
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the software.
- The ability to measure reliably the expenditure attributable to the software during its development.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Software	20% straight line basis per annum
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If there is an indication that there has been a significant change in amortisation rate or residual value of an asset, the amortisation of that asset is revised prospectively to reflect the new expectations.

1.5 Tangible fixed assets

Plant and equipment are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Fixtures, fittings & equipment	33% straight line basis per annum
Computer equipment	33% straight line basis per annum

TRADERIVER (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.6 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Entities in which the company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

1.7 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.8 Cash at bank and in hand

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

TRADERIVER (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

1.9 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

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

Basic financial assets

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

Classification of financial liabilities

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

Basic financial liabilities

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

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

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

1.10 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.11 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

TRADERIVER (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

Deferred tax

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

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

1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.14 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

1.15 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

1.16 Research and Development expenditure

Expenditure on pure and applied research is charged to the profit and loss account in the year in which it is incurred.

Development costs for the company's underlying platform are also charged to the profit and loss in the year of expenditure, unless individual projects satisfy all of the following criteria:

- the project is clearly defined, and related expenditure is separately identifiable;
- the project is technically feasible and commercially viable;
- current and future costs are expected to be exceeded by future sales; and
- adequate resources exist for the project to be completed.

In such circumstances, the development costs are capitalised as intangible assets and amortised over a period of 5 years from the date of expenditure.

TRADERIVER (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

2 Judgements and key sources of estimation uncertainty

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

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

These financial statements contain the following significant judgements or estimates:

Bad debt provisions:

The directors review the circumstances surrounding each trade debtor on a monthly basis in order to assess the bad debt provision in the financial statements at each reporting period and date. A general bad debt provision is recognised if required. As at 31 December 2018 the general bad debt provision was £nil (2017: £nil).

A specific bad debt provision is recognised on the commencement of a liquidation or administration of a client.

As at 31 December 2018 the company has a specific debt which was overdue at the year end. The directors have reviewed the circumstances surrounding the late payment of this debt. Detailed credit analysis has been carried out and discussions continue with the client. It is the opinion of the directors that the debt is recoverable. The total outstanding amount at the date of signing of the accounts was £234,814 (2017: £234,814).

Income

In the application of the company's revenue recognition policy, the company uses judgment and estimation methodologies based on its historical experience of sales contract terms.

The directors have carried out a detailed review of the company's financial position. Following an analysis of cash flows, forecasts, current pipeline and sales origination, the directors consider that the company is a going concern.

3 Employees

The average monthly number of persons (including directors) employed by the company during the year was 9 (2017 - 6).

TRADERIVER (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

4 Intangible fixed assets

	Software £
Cost	
At 1 January 2018	588,160
Additions	52,011
	<u>640,171</u>
At 31 December 2018	<u>640,171</u>
Amortisation and impairment	
At 1 January 2018	191,063
Amortisation charged for the year	139,685
	<u>330,748</u>
At 31 December 2018	<u>330,748</u>
Carrying amount	
At 31 December 2018	309,423
	<u><u>309,423</u></u>
At 31 December 2017	<u><u>397,098</u></u>

Development costs capitalised during the year relate to the enhancement of and rolling upgrade of the TradeRiver platform and its peripherals. The directors consider that, as the expenditure is intended to generate long term economic benefits, the policy of capitalising the expenditure as intangible fixed assets and amortising over their useful economic lives is appropriate.

5 Tangible fixed assets

	Plant and machinery etc £
Cost	
At 1 January 2018	49,580
Additions	6,602
	<u>56,182</u>
At 31 December 2018	<u>56,182</u>
Depreciation and impairment	
At 1 January 2018	43,496
Depreciation charged in the year	6,741
	<u>50,237</u>
At 31 December 2018	<u>50,237</u>
Carrying amount	
At 31 December 2018	5,945
	<u><u>5,945</u></u>
At 31 December 2017	<u><u>6,084</u></u>

TRADERIVER (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

6 Fixed asset investments

	2018	2017
	£	£
Investments	-	100

Fixed asset investments not carried at market value

The fixed asset investment represents an investment in a wholly owned subsidiary, TradeOcean Limited, which is measured at cost less any accumulated impairment losses. As at 31 December 2018 the impairment loss amounted to £100 (2017: £nil). As at 23 October 2019 TradeOcean Limited applied for a voluntary strike off from the Companies House register under s1003 CA2006.

Movements in fixed asset investments

	Shares in group undertakings
	£
Cost or valuation	
At 1 January 2018	100
Impairment	(100)
At 31 December 2018	-
Carrying amount	
At 31 December 2018	-
At 31 December 2017	100

7 Subsidiaries

Details of the company's subsidiaries at 31 December 2018 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct Indirect
TradeOcean Limited	United Kingdom	finance tracing	Ordinary shares	100.00

8 Debtors

	2018	2017
	£	£
Amounts falling due within one year:		
Trade debtors	9,228,455	13,405,075
Derivative financial instruments	48,544	-
Other debtors	45,229	30,073
Prepayments and accrued income	43,930	163,867
	9,366,158	13,599,015

TRADERIVER (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

8 Debtors

(Continued)

Trade debtors represent amounts due under trade finance payment obligations falling due within one year and are stated as the aggregate of the principal amount and fees charged. Trade debtors include a specific debt of £234,814 (2017: £234,814) which is due in more than one year.

9 Creditors: amounts falling due within one year

	2018	2017
	£	£
Bank loans	8,040,613	11,419,132
Other borrowings	1,399,723	1,801,535
Trade creditors	109,182	93,732
Taxation and social security	9,243	15,684
Derivative financial instruments	-	25,739
Other creditors	352,536	390,648
Accruals and deferred income	170,021	255,584
	<u>10,081,318</u>	<u>14,002,054</u>

The bank loans and other borrowings represent the matched funding of the trade debtors referred to in note 8.

The bank loans comprise of a maximum £15 million sales facility agreement, which can extend to £25 million, between the company and ABN Amro Commercial Finance PLC. The loan facility outstanding balance at the year-end was £8,040,613 (2017: £11,419,132).

The amounts included in other borrowing amounting to £1,399,723 (2017: £1,801,535) comprised of a £3.8 million loan facility agreement between the company and its parent, TradeRiver Finance Limited.

Other creditors amounting to £352,536 (2017: £390,648) represent accrued interest payable.

The loans are secured by fixed charges over the company's current and future assets. The bank loan is secured by a corporate guarantee from TradeRiver Finance Limited.

10 Creditors: amounts falling due after more than one year

	2018	2017
	£	£
Other creditors	<u>782,806</u>	<u>782,806</u>

A long term loan from TradeOcean Limited amounting to £517,635 as at 31 December 2018 (2017: £517,635), which bears interest at 7.5% over the UK base rate, was novated as at 4 July 2019 with a new agreement with CCH Netherlands B.V., which bears interests at 12.5%.

A long term loan from Oiax Holding SPC amounting to £265,171 (2017: £265,171) bears interest at a rate of 10% (2017: 10%).

TRADERIVER (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

11 Financial instruments

	2018	2017
	£	£
Carrying amount of financial assets		
Debt instruments measured at amortised cost	9,273,684	13,435,148
Instruments measured at fair value through profit or loss	48,544	-
	<u> </u>	<u> </u>
Carrying amount of financial liabilities		
Measured at fair value through profit or loss		
- Other financial liabilities	-	25,739
Measured at amortised cost	10,854,881	14,743,437
	<u> </u>	<u> </u>

Derivative financial instruments are forward foreign exchange contracts held at fair value through profit and loss and are used to manage the foreign currency risk by the company. These contracts are classified as Level 2 financial instruments and are valued using inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly.

FOR THE YEAR ENDED 31 DECEMBER 2018

(Continued)

- Receivables
- Cash and cash equivalents
- Payables
- Derivative financial instrument

The company is exposed to several risks arising from the various financial instruments it holds. The main risks to which the company is exposed are: credit risk, liquidity risk and market risk (which includes foreign currency risk). The risk management policies employed by the company to manage these risks are discussed below:

Credit risk is the risk of financial loss to the company if counterparty to a financial instrument fails to meet its contractual obligations and arises principally in relation to the company's financial assets. The company assesses all counterparties for credit risk before contracting with them, and the credit risk is mitigated as 90% of credit transactions are insured, which minimises the company's exposure to risk.

Liquidity risk is the risk that the company will not meet its financial obligations when they fall due. The company's approach to managing liquidity is to ensure, as far as possible, that it has sufficient liquidity to meet its liabilities when they fall due, without incurring unacceptable losses or risk damage to the company's position.

Market risks are the risks that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices.

FRS102 requires disclosure of a sensitivity analysis for each type of market risk to which the entity is exposed at the reporting date, showing how the profit and loss would be affected by changing the relevant risk variable that were reasonably possible at that date.

The company is exposed to foreign currency risk on its foreign currency receivables. This risk is mitigated as all foreign currency transactions are fixed at the date of the transaction.

The effect of a change in foreign currency rates during the period of a foreign currency transaction would be insignificant (2017: insignificant) given the hedging techniques employed by the company.

Interest rate risk is the risk that the fair value for future cash flows arising from financial instruments will fluctuate because of changes in market interest rates.

The company is exposed to risks associated with the effects of fluctuations in the prevailing levels of market interest rates. The company's exposure is limited to the cash and cash equivalents as interest rate variations attached to receivables are passed on to the client, and do not affect the company directly. A movement of 100 basis points in the interest rate for cash and cash equivalent, with other variables held constant, would result in an insignificant movement (2017: insignificant) in the balance sheet.

The debt of the company is represented by the net assets attributable to the shareholders. The director's objective when managing the capital is to safeguard the ability to continue as a going concern to provide returns for the shareholders and to maintain a strong capital base to support the growth of the business.

TRADERIVER (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

12 Called up share capital

	2018	2017
	£	£
Ordinary share capital		
Issued and fully paid		
522,213 Ordinary shares of £1 each	522,313	522,313
33,369 A Ordinary shares of 1p each	334	334
	<u>522,647</u>	<u>522,647</u>

The shareholders of Ordinary Shares are entitled to receive payment of a dividend. The holders of Ordinary Shares are entitled to receive notice of and to attend and speak at a general meeting of the company.

The shareholders of A Ordinary Shares are entitled to receive payment of a dividend. The holders of A Ordinary Shares are not entitled to receive notice of and to attend and speak at a general meeting of the company.

13 Financial commitments, guarantees and contingent liabilities

The other borrowings in note 9 relates to a facility agreement between TradeRiver Finance Limited, the company's parent and Advance Global Capital Limited. The facility limit is USD 3.8 million, and the facility interest rate is 10.5% (2017: 10.5%). The outstanding balance at the year-end was £1,399,723 (2017: £1,801,534). The facility has been lent on to the company, under an on-lending agreement dated 9 February 2016.

The Advance Global Capital Limited loan is secured by a fixed and floating charge over the assets of TradeRiver Finance Limited and TradeRiver (UK) Limited. In addition, the bank loan is secured by a corporate guarantee from the company for the TradeRiver Finance Ltd's loan.

14 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

2018	2017
£	£
50,316	100,058

15 Related party transactions

R Fossett is a director and shareholder in TradeRiver WLL which provides management services to the company. TradeRiver WLL is a separate company and does not form part of the group. During the year charges amounted to £126,000 (2017: £125,000). There was no balance outstanding at the end of the year (2017: £Nil).

Amounts owed to group undertakings include £1,399,723 (2017: £1,801,534) owed to TradeRiver Finance Limited under an on-lending facility agreement dated 9 February 2016. The facility limit is USD 3.8 million and for the year ended 31 December 2018, the facility interest rate was 10.5% (2017: 10.5%). The total interest paid during the year in respect of this loan was £160,964 (2017: £189,635).

TRADERIVER (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

16 Parent company

The ultimate controlling party is TradeRiver Finance Limited.

17 Audit report information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The senior statutory auditor was John Waller.

The auditor was PK Audit LLP.

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.