

**XFA GLOBAL LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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Sayers Butterworth LLP

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**XFA GLOBAL LIMITED**

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**Company Information**

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<b>Directors</b>	J D Glassock (resigned 31 March 2018) W J Ellington
<b>Registered number</b>	07707508
<b>Registered office</b>	8 Old Jewry London EC2R 8DU
<b>Independent auditors</b>	Sayers Butterworth LLP Chartered Accountants & Statutory Auditor 3rd Floor 12 Gough Square London EC4A 3DW

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**XFA GLOBAL LIMITED**

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**Contents**

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	Page
<b>Strategic report</b>	<b>1</b>
<b>Directors' report</b>	<b>2 - 3</b>
<b>Independent auditors' report</b>	<b>4 - 6</b>
<b>Statement of comprehensive income (incorporating the profit and loss account)</b>	<b>7</b>
<b>Balance sheet</b>	<b>8</b>
<b>Statement of changes in equity</b>	<b>9</b>
<b>Statement of cash flows</b>	<b>10</b>
<b>Notes to the financial statements</b>	<b>11 - 21</b>

**Strategic report**  
**For the Year Ended 31 December 2017**

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**Introduction**

The directors submit their Strategic Report for the year ended 31 December 2017.

**Business review**

The company is authorised and regulated by The Financial Conduct Authority (FCA). The category of membership of the FCA states that XFA Global Limited is authorised to carry on business as a BIPRU €50,000 MiFID investment firm, but is not allowed to hold or deal in client money. The directors confirm that at no time during the above period has the firm held or dealt with client money and at all times during the period the firm has complied with the FCA minimum capital resources requirement.

**Business termination**

The Company has been unable to maintain consistent profits on a year over year basis and has a significant accumulated loss for the life of the Company. The directors have therefore decided to cease operations and close the Company. Effective 1 April 2018 the Company ceased taking orders and began the process of withdrawing registration from the FCA and closing the business.

The Company will continue in existence long enough to pursue debt collection, pay its creditors and wrap up any open issues that may arise. It is pursuing efforts to sell the Company. If plans to sell the Company are unsuccessful then it will notify Companies House of its desire to be struck off.

**Principal risks and uncertainties**

Globally, trading volumes in all asset classes remain relatively low and a lack of volatility in a bullish market does not encourage protection trades. In these conditions, demand for derivatives is limited and brokers are all chasing a diminishing commission pool. The key risks to the Company are therefore:-

1. the continued low volatility environment reducing derivative demand; and
2. the inability to continue growing the client base to reach sustainable activity levels.

**Financial key performance indicators**

The trade debtors' balance has reduced in line with reduced activity, but has still remained relatively high due to very slow payment processing by prime brokers. Active steps have been taken to reduce this significantly.

**Financial instruments and risk management**

The main financial risks inherent from the company's operations are credit risk, cash flow risk and liquidity risk. The directors monitor the net debt, banking facilities and cash flows on a regular basis to ensure adequate working capital facilities are in place.

This report was approved by the board on 24 April 2018 and signed on its behalf.

**W J Ellington**  
Director

**Directors' report**  
**For the Year Ended 31 December 2017**

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The directors present their report and the financial statements for the year ended 31 December 2017.

**Directors' responsibilities statement**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

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

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Results**

The loss for the year, after taxation, amounted to £287,441 (2016 - profit £114,851).

No dividends were paid during the year.

**Directors**

The directors who served during the year were:

J D Glascock (resigned 31 March 2018)  
W J Ellington

During the year, the company held a professional indemnity insurance policy.

**Directors' report (continued)**  
**For the Year Ended 31 December 2017**

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**Future developments**

The Company has decided to cease operations in 2018. The directors, taking into consideration input from the managerial staff, have made the difficult decision to relinquish its FCA registration in London and effective 1st April 2018 XFA Global Limited will cease to accept or execute European business for clients and will begin the process of closure. The directors, based on prior financial performance, have come to the conclusion that the prospects to acquire enough business to make this entity consistently and adequately profitable appears remote. The parent company has indicated that it does not wish to provide future financial support to XFA Global Limited.

**Going concern**

The directors, having assessed the responses of the directors of the Company's parent XFA Holdings, LLC to their enquiries, and on the basis of their assessment of the Company's financial position, have a reasonable expectation that the Company will not be able to continue in operational existence for the foreseeable future. Based on this, the annual financial statements have been prepared on the basis that the Company is no longer a going concern.

**Matters covered in the Strategic Report**

Disclosures of strategic importance that would usually be contained in the Directors' Report are presented in the Strategic Report.

**Disclosure of information to auditors**

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

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

**Post balance sheet events**

After the year end, the directors, taking into consideration input from the managerial staff, have made the difficult decision to relinquish the Company's FCA registration in London and effective 1st April 2018, XFA Global Limited will cease to accept or execute European business for clients and will begin the process of closure.

Aside from the above, there have been no other significant events affecting the Company since the year end.

This report was approved by the board on 24 April 2018 and signed on its behalf.

W J Ellington  
Director

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**Independent auditors' report to the shareholders of XFA Global Limited**

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**Opinion**

We have audited the financial statements of XFA Global Limited (the 'Company') for the year ended 31 December 2017, which comprise the Statement of comprehensive income, the Balance sheet, the Statement of cash flows, the 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 Company's affairs as at 31 December 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

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

**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.

**Emphasis of matter - financial statements prepared other than on a going concern basis**

We draw attention to note 2.3 in the financial statements, which explains that the financial statements have been prepared on a basis other than that of a going concern. We have considered the adequacy of the disclosure made and our opinion is not modified in respect of this matter.

**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.

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**Independent auditors' report to the shareholders of XFA Global Limited (continued)**

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

We have nothing to report in this regard.

**Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

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

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of directors**

As explained more fully in the Directors' responsibilities statement on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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



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**Independent auditors' report to the shareholders of XFA Global Limited (continued)**

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**Auditors' responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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.

Matthew W Wright FCA (Senior statutory auditor)

for and on behalf of

Sayers Butterworth LLP  
Chartered Accountants & Statutory Auditor  
3rd Floor  
12 Gough Square  
London  
EC4A 3DW

24 April 2018

XFA GLOBAL LIMITED

**Statement of comprehensive income (incorporating the profit and loss account)**  
**For the Year Ended 31 December 2017**

	Note	2017 £	2016 £
Turnover	4	366,713	967,623
Cost of sales		(94,603)	(313,481)
<b>Gross profit</b>		<b>272,110</b>	<b>654,142</b>
Administrative expenses		(559,636)	(539,240)
<b>Operating (loss)/profit</b>	5	<b>(287,526)</b>	<b>114,902</b>
Interest receivable and similar income	9	85	-
Interest payable and expenses	10	-	(51)
<b>(Loss)/profit before tax</b>		<b>(287,441)</b>	<b>114,851</b>
<b>(Loss)/profit for the financial year</b>		<b>(287,441)</b>	<b>114,851</b>

The above results are derived from discontinuing activities. See note 2.3 for further details.

The notes on pages 11 to 21 form part of these financial statements.

**XFA GLOBAL LIMITED**  
**Registered number: 07707508**

**Balance sheet**  
**As at 31 December 2017**

	Note	2017 £	2016 £
<b>Current assets</b>			
Debtors: amounts falling due within one year	13	217,852	419,020
Cash at bank and in hand		48,636	218,379
		<u>266,488</u>	<u>637,399</u>
Creditors: amounts falling due within one year	14	(119,665)	(293,135)
<b>Net current assets</b>		<b>146,823</b>	<b>344,264</b>
<b>Total assets less current liabilities</b>		<b>146,823</b>	<b>344,264</b>
<b>Net assets</b>		<b>146,823</b>	<b>344,264</b>
<b>Capital and reserves</b>			
Called up share capital	15	490,000	460,000
Share premium account		980,000	920,000
Profit and loss account		(1,323,177)	(1,035,736)
		<u>146,823</u>	<u>344,264</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 24 April 2018.

**W J Ellington**

Director

The notes on pages 11 to 21 form part of these financial statements.

XFA GLOBAL LIMITED

**Statement of changes in equity**  
**For the Year Ended 31 December 2017**

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2017	460,000	920,000	(1,035,736)	344,264
<b>Comprehensive loss for the year</b>				
Loss for the year	-	-	(287,441)	(287,441)
<b>Total comprehensive loss for the year</b>	-	-	(287,441)	(287,441)
<b>Contributions by and distributions to owners</b>				
Shares issued during the year	30,000	60,000	-	90,000
<b>Total transactions with owners</b>	30,000	60,000	-	90,000
<b>At 31 December 2017</b>	<b>490,000</b>	<b>980,000</b>	<b>(1,323,177)</b>	<b>146,823</b>

**Statement of changes in equity**  
**For the Year Ended 31 December 2016**

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2016	460,000	920,000	(1,150,587)	229,413
<b>Comprehensive income for the year</b>				
Profit for the year	-	-	114,851	114,851
<b>Total comprehensive income for the year</b>	-	-	114,851	114,851
<b>At 31 December 2016</b>	<b>460,000</b>	<b>920,000</b>	<b>(1,035,736)</b>	<b>344,264</b>

The notes on pages 11 to 21 form part of these financial statements.

XFA GLOBAL LIMITED

**Statement of cash flows**  
**For the Year Ended 31 December 2017**

	2017 £	2016 £
<b>Cash flows from operating activities</b>		
(Loss)/profit for the financial year	(287,441)	114,851
<b>Adjustments for:</b>		
Loss on disposal of tangible assets	-	1,000
Interest (received)/paid	(85)	51
Decrease/(increase) in debtors	201,168	(78,231)
(Decrease)/increase in creditors	(66,291)	78,113
(Decrease)/increase in amounts owed to groups	(107,179)	32,028
<b>Net cash generated from operating activities</b>	<u>(259,828)</u>	<u>147,812</u>
<b>Cash flows from financing activities</b>		
Issue of ordinary shares	90,000	-
Interest received/(paid)	85	(51)
<b>Net cash used in financing activities</b>	<u>90,085</u>	<u>(51)</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<u>(169,743)</u>	<u>147,761</u>
Cash and cash equivalents at beginning of year	<u>218,379</u>	<u>70,618</u>
<b>Cash and cash equivalents at the end of year</b>	<u><u>48,636</u></u>	<u><u>218,379</u></u>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	<u>48,636</u>	<u>218,379</u>
	<u><u>48,636</u></u>	<u><u>218,379</u></u>

The notes on pages 11 to 21 form part of these financial statements.

**Notes to the financial statements**  
**For the Year Ended 31 December 2017**

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**1. General information**

XFA Global Limited ('the company') are an equity derivatives broker for institutional and professional clients.

The company is a private company limited by shares and is incorporated in the United Kingdom and registered in England and Wales. The company's registered office is 1 Cornhill, London, EC3V 3ND.

The company is authorised and regulated by The Financial Conduct Authority (FCA). The category of membership of the FCA states that XFA Global Limited is authorised to carry on business as a BIPRU €50,000 investment firm, but is not allowed to hold or deal in client money. The directors confirm that at no time during the above period has the firm held or dealt with client money and at all times during the period the firm has complied with the FCA minimum capital resources requirement.

**2. Accounting policies**

**2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

**2.2 Financial reporting standard 102 - reduced disclosure exemptions**

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of XFA Holdings LLC as at 31 December 2017 and these financial statements may be obtained from 400 S. LaSalle, Suite 2930, Chicago, IL 60605.

**2.3 Going concern**

The directors, having assessed the responses of the directors of the Company's parent XFA Holdings, LLC to their enquiries, and on the basis of their assessment of the Company's financial position, have a reasonable expectation that the Company will not be able to continue in operational existence for the foreseeable future. Based on this, the annual financial statements have been prepared on the basis that the Company is no longer a going concern.

**2.4 Turnover**

Revenue comprises commissions receivable on trades completed by the company during the period and is recognised when the trade is executed.

**Notes to the financial statements**  
**For the Year Ended 31 December 2017**

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**2. Accounting policies (continued)**

**2.5 Tangible fixed assets**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Office equipment	- 33.33% straight line
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The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of comprehensive income.

**2.6 Operating leases: Lessee**

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

**2.7 Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**2.8 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

**2.9 Financial instruments**

The Company 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

**Notes to the financial statements**  
**For the Year Ended 31 December 2017**

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**2. Accounting policies (continued)**

**2.9 Financial instruments (continued)**

subsequently at amortised cost.

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

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

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

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

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

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

**2.10 Creditors**

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.



**Notes to the financial statements**  
**For the Year Ended 31 December 2017**

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**2. Accounting policies (continued)**

**2.11 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.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of comprehensive income within 'other operating income'.

**2.12 Finance costs**

Finance costs are charged to the Statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

**2.13 Taxation**

Tax is recognised in the 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 operates and generates income.

**2.14 Interest income**

Interest income is recognised in the Statement of comprehensive income using the effective interest method.

**Notes to the financial statements**  
**For the Year Ended 31 December 2017**

**3. Judgments in applying accounting policies and key sources of estimation uncertainty**

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

**Critical accounting estimates and assumptions**

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

*(i) Recoverability of debtors*

Determine whether there are any circumstances regarding a customer's inability to meet its financial obligation and whether a provision is required against the debt. Factors taken into consideration in reaching such a decision are potential prevailing economic conditions in the industry and their potential impact on the company's customers.

**4. Turnover**

Analysis of turnover by country of destination:

	2017 £	2016 £
United Kingdom	18,532	163,263
Rest of Europe	122,637	214,688
Rest of the world	225,544	589,672
	<u>366,713</u>	<u>967,623</u>

All turnover is attributable to the trade of equity derivative brokerage.

**5. Operating (loss)/profit**

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

	2017 £	2016 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	7,000	7,000
Exchange differences	(2,882)	(36,641)
Other operating lease rentals	<u>93,006</u>	<u>105,120</u>

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**XFA GLOBAL LIMITED**

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**Notes to the financial statements**  
**For the Year Ended 31 December 2017**

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**6. Auditor's remuneration**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
<b>Fees payable to the Company's auditor and its associates in respect of:</b>		
The auditing of the accounts of the Company	<b>6,100</b>	<i>7,000</i>
Taxation compliance services	<b>900</b>	<i>1,000</i>
All other services	<b>700</b>	<i>1,000</i>
	<u><b>7,700</b></u>	<u><i>9,000</i></u>

**7. Employees**

Staff costs, including director's remuneration, were as follows:

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Wages and salaries	<b>234,481</b>	<i>300,299</i>
Social security costs	<b>28,055</b>	<i>34,944</i>
	<u><b>262,536</b></u>	<u><i>335,243</i></u>

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

	<b>2017</b>	<b>2016</b>
	<b>No.</b>	<b>No.</b>
Directors	<b>1</b>	<i>1</i>
Employees	<b>1</b>	<i>2</i>
	<u><b>2</b></u>	<u><i>3</i></u>

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**XFA GLOBAL LIMITED**

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**Notes to the financial statements**  
**For the Year Ended 31 December 2017**

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**8. Director's remuneration**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Directors' emoluments	<b>197,083</b>	195,833
	<u><b>197,083</b></u>	<u>195,833</u>

Key management personnel includes all directors who have authority and responsibility for planning, directing and controlling the activities of the company. Total compensation paid to key management personnel was £197,033 (2016: £195,833).

**9. Interest receivable**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Other interest receivable	<b>85</b>	-
	<u><b>85</b></u>	<u>-</u>

**10. Interest payable and similar charges**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Bank interest payable	-	51
	<u>-</u>	<u>51</u>

**Notes to the financial statements**  
**For the Year Ended 31 December 2017**

**11. Taxation**

	2017 £	2016 £
	<u>          </u>	<u>          </u>
<b>Total current tax</b>	<u>          </u> -	<u>          </u> -

**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2016 - *lower than*) the standard rate of corporation tax in the UK of 19.25% (2016 - 20%). The differences are explained below:

	2017 £	2016 £
(Loss)/profit on ordinary activities before tax	<u>(287,441)</u>	<u>114,851</u>
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.25% (2016 - 20%)	(55,332)	22,970
<b>Effects of:</b>		
Expenses not deductible for tax purposes	552	1,882
Capital allowances for year in excess of depreciation	(1,474)	(1,868)
Utilisation of tax losses	-	(23,184)
Loss on disposal of fixed assets	-	200
Unrelieved tax losses carried forward	56,254	-
	<u>          </u>	<u>          </u>
<b>Total tax charge for the year</b>	<u>          </u> -	<u>          </u> -

**Factors that may affect future tax charges**

Subject to approval by HM Revenue & Customs the company has accumulated tax losses of £1,267,354 (2016: £975,123) carried forward available to set-off against future profits from the same trade.

XFA GLOBAL LIMITED

**Notes to the financial statements**  
**For the Year Ended 31 December 2017**

**12. Tangible fixed assets**

	Office equipment £
At 1 January 2017	124,439
Disposals	(124,439)
	<hr/>
At 31 December 2017	-
At 1 January 2017	124,439
Disposals	(124,439)
	<hr/>
At 31 December 2017	-
<b>Net book value</b>	
At 31 December 2017	<hr/> <hr/>
<b>At 31 December 2016</b>	<hr/> <hr/>

**13. Debtors**

	2017 £	2016 £
Trade debtors	112,528	208,305
Other debtors	100,013	192,205
Prepayments and accrued income	5,311	18,510
	<hr/>	<hr/>
	<b>217,852</b>	<b>419,020</b>
	<hr/> <hr/>	<hr/> <hr/>

Included in total debtors are £212,541 (2016: £400,511) of financial assets that are debt instruments measured at amortised cost.

**XFA GLOBAL LIMITED**

**Notes to the financial statements**  
**For the Year Ended 31 December 2017**

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

	2017	2016
	£	£
Trade creditors	17,335	9,258
Amounts owed to group undertakings	89,804	196,983
Other creditors	-	4,719
Accruals and deferred income	12,526	82,174
	<u>119,665</u>	<u>293,134</u>

Included in total creditors are £108,215 (2016: £281,884) of financial liabilities that are measured at amortised cost.

**15. Share capital**

	2017	2016
	£	£
<b>Allotted, called up and fully paid</b>		
490,000 (2016 - 460,000) Ordinary shares of £1 each	<u>490,000</u>	<u>460,000</u>

On 30 November 2017 the company issued 30,000 Ordinary shares of £1 nominal value. Consideration of £3 was received per share.

**16. Commitments under operating leases**

At 31 December 2017 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2017	2016
	£	£
<b>Land and buildings</b>		
Not later than 1 year	8,208	87,600
	<u>8,208</u>	<u>87,600</u>
	2017	2016
	£	£
<b>Other</b>		
Not later than 1 year	34,628	60,033
Later than 1 year and not later than 5 years	-	1,554
	<u>34,628</u>	<u>61,587</u>

**Notes to the financial statements**  
**For the Year Ended 31 December 2017**

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**17. Related party transactions**

The Company has adopted the exemption permitted by paragraph 33.1A of FRS102 and has not disclosed transactions with members of the same group that are wholly owned.

**18. Post balance sheet events**

After the year end, the directors, taking into consideration input from the managerial staff, have made the difficult decision to relinquish the Company's FCA registration and effective 1st April 2018, XFA Global Limited will cease to accept or execute European business for clients and will begin the process of closure. Please also refer to the Strategic report and the Directors' report for further details.

Aside from the above, there have been no other significant events affecting the Company since the year end.

**19. Controlling party**

XFA Global Limited is a wholly-owned subsidiary of XFA Holding LLC, an entity incorporated in the United States of America. XFA Holding LLC is the parent of both the largest and smallest group of which the Company is a member.

In the opinion of the directors there is no one ultimate controlling party.