ANNUAL REPORT AND FINANCIAL STATEMENTS
SWISSQUOTE LTD
FOR THE YEAR ENDED 31 DECEMBER 2022
REGISTERED NUMBER 07710095

COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2022

Directors	Marc Bürki - Chairman Gilles Chantrier - Non Executive Director Jude Bahnan - Non Executive Director Muamar Behnam - Non Executive Director (Appointed on 22.02.2022) Michela Pollini - Executive Director Jack Henry Rawlings - Executive Director
Secretary	Michelmores Secretaries Limited
Registered office	Boston House 63-64 New Broad Street London EC2M 1JJ
Business Address	Boston House 63-64 New Broad Street London EC2M 1JJ
Independent Auditors	PricewaterhouseCoopers LLP 7 More London Riverside London SE1 2RT
Bankers	Coutts & Co 440 Strand London WC2R 0QS Barclays Bank PLC 1 Churchill Place London E14 5HP Swissquote Bank Ltd 33 Chemin de la Crétaux 1196 Gland Switzerland

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STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022

GENERAL

Swissquote Ltd (the "Company") is incorporated and domiciled in England and Wales as a private company with limited liability under the UK Company Law and is limited by shares. Its registered office is at Boston House, 63-64 New Broad Street, London EC2M 1JJ, UK.

The Company is authorised and regulated by the Financial Conduct Authority (FCA Register number 562170) as a matched principal broker and provides online trading in contracts for difference over currencies, commodities, bonds, indices, shares to private and corporate clients. Swissquote Ltd The Company's is categorised by FCA as a MiFIDPRU 750k investment firm for prudential purposes and a CASS Medium size firm for client money purposes.

The Company trades with its clients as principal, with all trades being matched back-to-back with offsetting trades with the parent company, Swissquote Bank SA, therefore, the Company takes no market trading risk. The Company's revenue is generated primarily from mark-ups and commissions applied to market spreads less prime broker fees charged by Swissquote Bank SA.

BUSINESS REVIEW AND KEY PERFORMANCE INDICATORS

The directors use a number of financial and non-financial key performance indicators to monitor the business activity and the execution of the Company's strategy. The table below includes some of the Company KPIs that are continually monitored:

	2022 £	2021 £
Turnover	1,754,010	3,010,745
Administrative expenses	(1,712,715)	(2,641,453)
Profit before taxation	43,327	362,905
Shareholder's Funds	6,229,145	6,194,050
Client Money (held in segregated client money accounts)	9,585,756	30,597,931

The Company revenue is primarily earned from the mark-up applied to clients on market prices received from the parent's liquidity providers. Therefore, the Company is dependent upon transaction volumes, regardless of whether clients' trading is profitable or not (except that profitable clients are likely to generate sustained trading volumes).

As a consequence of Brexit, passporting rights were lost and this change in the British regulatory and legal framework had a significant impact on new customers onboarding, which translated in limited client growth and lower trading volumes.

The political and economic events of 2022 were challenging for most international companies. The Russian-Ukrainian conflict (including the application of the vast sanction regimes against Russia), energy shortage threats, supply chain issues, high inflation and the collapse of major banking institutions were some of the matters that affected a large number of companies operating in the financial sector. The Company's activities have not been significantly impacted by these circumstances. Nonetheless, these events were at the centre of the Board's oversight activities.

While turnover decreased from £3,010,745 in 2021 to £1,754,010 in 2022, the Company adopted an effective approach of cost control and closed the year with a profit of £35,095 (2021: 362,905). Administrative expenses were reduced from £2,641,453 in 2021 to £1,712,715 in 2022, while maintaining the Company's standards of service quality and performance. The Company has a robust balance sheet, with a net equity of over £6 million as at 31 December 2022, significantly exceeding regulatory requirements.

BUSINESS STRATEGY

The Company strategic objectives are clear and aligned with Swissquote Group. The Company is focused on developing the strength of its brand, increasing product awareness in new markets outside of the European Union, along with the preservation of high quality services in its established markets, aiming to take place amongst market leaders for beginners and, most importantly, advanced traders.

The Company will continue to monitor opportunities in new regions and products, to generate further revenue growth, while leveraging the scalability of the business, to do so at marginal additional cost.

RISKS AND UNCERTAINTIES

Risks

The Company is exposed to various risks that are actively monitored and managed to ensure they remain within the Company risk appetite. the Company places also emphasis on identifying emerging risks and implementing early warning indicators to avoid risk events that could cause detrimental effects and regulatory breaches.

The composition of internal capital requirements is laid out in the Company's Internal Capital Adequacy and Risk Assessment (ICARA). For further information, please refer to note 3.

Section 172 (1) statement

Under the Companies Act, a director of a company must act in the way he considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so 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.

To comply with section 172, the Company is in constant observation of its internal systems and controls over major policies and code of conduct rules as well as the business principles. Management met in 2022 and reviewed the policies and control mechanisms, which were considered robust.

It is needless to say, the company also has robust control mechanism over protecting its clients and client assets. The Company has proven that its strong structure could perform with minimal affect. Due to its strong co-operation with the parent company in Switzerland, effective training and support can be provided to employees at all times, ensuring uninterrupted daily operations. The Company also continues to protect client money it holds in segregated client money bank accounts. The internal and external client money reconciliations are processed on a daily basis

Approved by the board of directors and signed on behalf of the board by:

Michela Pollini
Executive Director
25 April 2023

Boston House
63-64 New Broad Street
London
EC2M 1JJ

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present their directors' report and audited financial statements for the year ended 31 December 2022.*Principal Activities*

The Company is authorised and regulated by the Financial Conduct Authority as a matched principal broker and provides online trading on contracts for difference (CFDs) to private and corporate clients.

The Company trades with its clients as principal, with all trades being matched with offsetting trades with the parent company, hence the Company takes no market trading risk. Turnover consists of commission and mark-up earned from trading activity, net of commissions paid to introducing brokers and net of prime broker fees paid to Swissquote Bank SA.

Review of the Business

The Company closed the year 2022 with a profit of £35,095, (2021: profit of £362,905). The trading volumes decreased by 7% compared to 2021, and the Dollar per Million ("DPM") decreased by 37%, which had a negative impact on the turnover.

The turnover decreased by 42% compared to 2021 and reached £1,754,010 (2021: £3,010,745). Administrative expenses decreased by 35% to £1,712,715 (2021: 2,641,453). At year-end, the statement of financial position showed that the total net assets balance was £6,229,145 (2021: £6,194,050).

The Company's turnover for the year ended 31 December 2022 is shown in Note 4.

Future Developments of the Company

The Company was impacted, and continues to be impacted by the changes brought by Brexit.

The Board of Directors continues working on expanding the activities of the Company to different jurisdictions and include additional asset classes and services to bring in line with the product offering of the parent company. This aims to diversify the income stream of the Company and provide resilience against any further changes in the regulatory environment.

The common risks continue to exist as the Company is exposed to a number of financial, operational, market, credit, liquidity and risks. Each principal risk and how it is assessed and managed is outlined in Note 3 of the financial statements. Financial risk management and disclosures are also disclosed in Note 3 of the financial statements.

Results and dividends

The Company's turnover for the year ended 31 December 2022 is shown in Note 4. No dividends were paid or proposed during the year (2021: nil).

Directors

The directors of the Company who were in office during the year and up to the date of signing the financial statements were:

Marc Bürki	Michela Pollini
Gilles Chantrier	Jack Henry Rawlings
Jude Bahnan	Muamar Behnam (Appointed on 22.02.2022)

Employees

The number of employees as at 31 December 2022 is 9 (2021: 10).

Political and Charitable Contributions

The company made no political or charitable donations or incurred any political expenditure during the year of 2022 (2021: nil).

Post Balance Sheet Events

There were no subsequent events the company faced after the balance sheet date as reported in Note 17.

Going Concern
The Company's strong balance sheet and financial position continues to be an assurance for any unexpected wave of sudden changes, as well as the "Letter of Support" signed by the parent company. Having satisfied themselves on the financial security of the Company, the directors have a reasonable expectation that the Company will be able to continue in operational existence for the near future, and there were no post statement of financial position events that affect this expectation. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

The Company's business activities, together with the factors likely to affect its future development and position, are set out in the Business Review and the Principal risks and uncertainties sections of the Strategic Report on pages 3 to 4.

Statement of Directors' Responsibilities in Respect of the Financial Statements
The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.
Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law).
Under company law, 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- 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 safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.
The directors are also 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 enable them to ensure that the financial statements comply with the Companies Act 2006.

Directors' Confirmations
In the case of each director in office at the date the directors' report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Independent auditors
Pursuant to Section 487 of the Companies Act 2006, the independent auditors will be deemed to be reappointed and therefore PricewaterhouseCoopers LLP will continue in office.

SWISSQUOTE LTD - 07710095

Approved by the board of directors and signed on behalf of the board by:

Michela Pollini
Executive Director
25 April 2023

Boston House
63-64 New Broad Street
London
EC2M 1JJ

Independent auditors' report to the members of Swissquote Ltd

Report on the audit of the financial statements

Opinion

In our opinion, Swissquote Ltd's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the statement of financial position as at 31 December 2022; the statement of comprehensive income and the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

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

Reporting on other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Strategic report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the year ended 31 December 2022 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities in Respect of the Financial Statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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.

Auditors' responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to corporation tax legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the recording of journals. Audit procedures performed by the engagement team included:

- Enquiries of management in relation to known or suspected instances of non-compliance with laws and regulation and fraud;
- Identifying and, where relevant, testing journal entries;
- Review of correspondence with regulators in so far as it was related to the financial statements; and
- Incorporated unpredictability into the nature, timing and/ or extent of our testing.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

Craig McSherry

Craig McSherry (Senior Statutory Auditor)
for and on behalf of
PricewaterhouseCoopers LLP Chartered
Accountants and Statutory Auditors
London
25 April 2023

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022

		Year ended 31 December	
	Notes	2022	2021
		£	£
Turnover	4	1,754,010	3,010,745
Administrative expenses	5	(1,712,715)	(2,641,453)
Operating profit		41,295	369,292
Interest receivable and similar income		20,013	729
Interest payable and similar expenses		(17,981)	(7,116)
Profit before taxation		43,327	362,905
Tax on profit	10	(8,232)	-
Profit and total comprehensive income for the year		35,095	362,905

All the results shown in the above statement of comprehensive income are from continuing operations.

The notes on pages 14 to 29 form part of the financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

		Year ended 31 December	
	Notes	2022	2021
		£	£
Non-Current Assets			
Trade and Other Receivables	11	139,260	139,260
Right-of-use asset	14	371,016	495,917
Current Assets			
Trade and Other Receivables	11	295,364	660,808
Cash and Cash Equivalents	12	32,235,346	18,160,093
Total Assets		**33,040,986**	**19,456,078**
Capital and Reserves			
Called up Share Capital	13	4,260,100	4,260,100
Other Reserves		2,000,000	2,000,000
Accumulated losses		(30,955)	(66,050)
Total shareholders' funds		6,229,145	6,194,050
Non-Current Liabilities			
Lease Liabilities	14	262,947	391,812
Current Liabilities			
Trade and Other Payables	15	26,420,028	12,754,142
Lease Liabilities	14	128,866	116,074
Total Liabilities		**26,811,841**	**13,262,028**
Total Liabilities and Shareholders' Funds		**33,040,986**	**19,456,078**

The notes on pages 14 to 29 form part of the financial statements. These financial statements were approved by the Board of Directors on 25 April 2023 and signed on its behalf by:

Michela Pollini
Executive Director
25 April 2023

Boston House
63-64 New Broad Street
London
EC2M 1JJ

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022

	Called up Share capital £	Other reserves £	Accumulated losses £	Total £
Balance as at 1 January 2021	4,260,100	2,000,000	(428,955)	5,831,145
Profit and total comprehensive income for the financial year	-	-	362,905	362,905
Balance as at 31 December 2021	**4,260,100**	**2,000,000**	**(66,050)**	**6,194,050**
Profit and total comprehensive income for the financial year	-	-	35,095	35,095
Balance as at 31 December 2022	**4,260,100**	**2,000,000**	**(30,955)**	**6,229,145**

The notes on pages 14 to 29 form part of the financial statements.

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

1 General Information

Swissquote Ltd (the "Company") is incorporated and domiciled in England and Wales as a private Company with limited liability under the UK Company Law. Its registered office is at Boston House, 63-64 New Broad Street, London EC2M 1JJ, UK.

The Company is authorised and regulated by the Financial Conduct Authority (FCA Register number 562170) as a matched principal broker and provides online trading in foreign exchange, contracts for difference, and precious metals, to private and corporate clients.

The Company trades with its clients as principal, with all trades being matched with offsetting trades with parent, Swissquote Bank SA, hence the Company takes no market trading risk. The Company's revenue is generated primarily from mark-ups and commissions applied to market spreads less prime broker fees charged by Swissquote Bank SA.

2 Summary of Significant Accounting Policies

2.1 Basis of Preparation

The financial statements have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of land and buildings and derivative financial assets and financial liabilities measured at fair value through profit or loss, and in accordance with the Companies Act 2006.

The following exemptions from the requirements of IFRS as adopted, have been applied in the preparation of these financial statements, in accordance with FRS 101:

- Paragraphs 45(b) and 46 to 52 of IFRS 2, 'Share-based payment' (details of the number and weighted average exercise prices of share options, and how the fair value of goods or services received was determined).
- IFRS 7, 'Financial instruments: Disclosures'.
- Paragraphs 91 to 99 of IFRS 13, 'Fair value measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities).
- Paragraph 38 of IAS 1, 'Presentation of financial statements' – comparative information requirements in respect of:
    - paragraph 79(a)(iv) of IAS 1;
    - paragraph 73(e) of IAS 16, 'Property, plant and equipment'; and
    - paragraph 118(e) of IAS 38, 'Intangible assets' (reconciliations between the carrying amount at the beginning and end of the period).
- The following paragraphs of IAS 1, 'Presentation of financial statements':
    - 10(d) (statement of cash flows);
    - 16 (statement of compliance with all IFRS);
    - 38A (requirement for minimum of two primary statements, including cash flow statements);
    - 38B-D (additional comparative information);
    - 111 (statement of cash flows information); and
    - 134-136 (capital management disclosures).
- IAS 7, 'Statement of cash flows'.
- Paragraphs 30 and 31 of IAS 8, 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective).
- Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation).
- The requirements in IAS 24, 'Related party disclosures', to disclose related party transactions entered into between two or more members of a group.

These financial statements were prepared on a going concern basis and in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework. They were also prepared in accordance with the Companies Act 2006 and under the historical cost convention, as has been modified by the revaluation of derivative financial instruments at fair value.

The Company is a wholly owned subsidiary of Swissquote Bank SA, which heads the smallest group for which consolidated financial statements are produced. The ultimate parent and controlling party is Swissquote Group Holding Ltd, and which heads the largest group for which consolidated financial statements are produced. Those consolidated financial statements can be obtained from Swissquote's website: http://www.swissquote.ch/sqw-group/investor/reporting.jsp

As per paragraphs 2 and 8 of the Application Guidance to FRS 100, it was considered that the consolidated financial statements of the ultimate parent presented in accordance with IFRS provide disclosures that meet the basic disclosure requirements of the relevant standard. The accounting policies described above have been applied consistently.

To ensure consistency with the current period, comparative figures have been reclassified when the presentation of financial statements has been changed. The adjustments were to ensure the consistent classification of financial statement line items. The adjustments were;

- The amounts due from customers and the loss allowance for the impaired balance due from customers in Note 11 Trade and Other Receivables have been increased by £278,122 to reflect the translation of the balances using the prevailing exchange rate as at 31 December 2021.
- The headings of Owed from Group - Gross amounts of Financial Liabilities and Owed to Group - Gross amounts of Financial Assets within the offsetting table in Note 3.1. (iii) Credit Risk have been changed to correct an error in the classification.
- The Open derivatives with clients has been reduced by £5,797,867 and the Owed from Group – Gross Financial Liabilities has been increased by £5,797,867 to better reflect the nature of those transactions in the 2021 comparative table in Note 3.1 (iii) Credit Risk.

2.2 Critical Accounting Estimates and Judgments

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies.

As at 31 December 2022, there have been no critical accounting estimates or judgements (2021: none).

2.3 Adoption of New and Revised IFRSs

Under FRS101 the Company is exempt from certain disclosure requirements as permitted by the Standard. There are no new Standards or Interpretation Content, effective for the first time for the financial year beginning 1 January 2022, with a material impact on the Company. The Company has not early adopted any Standards or Interpretation Content.

2.4 Turnover

Turnover consists of commission and mark-up earned from trading foreign exchange, precious metals, and contracts for differences, net of commission paid to introducing brokers and net of prime broker fees paid to Swissquote Bank SA.

2.5 Foreign Currency Translation

(i) Functional and Presentation Currency

Items included in the Company's financial statements are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements are presented in Sterling Pound (£ or GBP), which is the Company's functional and presentation currency.

(ii) Transactions and Balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Foreign currency translation	**2022 Closing rates**	**2021 Closing rates**
EUR	0.8852	0.8411
USD	0.8267	0.7392

2.6 *Offsetting Financial Instruments*

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise, the asset and settle the liability simultaneously.

2.7 Financial Assets

(i) Financial Assets Classification

Since the adoption of IFRS 9, the classification and measurement of debt instruments depend on (1) the business models of the entity for managing the assets and (2) the cash flow characteristics of the asset. Based on these factors, the Company classifies its debt instruments into one of the following measurement categories:

- Amortised cost;
- Fair value through profit or loss (FVTPL).

(ii) Financial assets at amortised cost

Financial assets at amortised cost are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Company provides money, goods or services directly to a debtor with no intention of trading the receivable. They are included in current assets, except for maturities greater than twelve months after the reporting date. These are classified as non-current assets.

The Company's financial assets at amortised cost comprise of "trade and other receivables" and "cash and cash equivalents" in the statement of financial position.

(iii) Financial Assets at fair value through profit or loss

This category includes financial assets that are acquired principally for the purpose of selling them in the near future or holding them as part of a portfolio that is managed together for short-term profits or position taking. Derivative financial instruments are also categorised as financial assets at fair value through profit or loss.

Impairment

The Company provides for expected credit losses across applicable financial assets based on whether there has been a significant increase in credit risk since the asset's origination. At each reporting date, an entity assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. Loss allowances for expected credit losses are recognised on all financial assets held at amortised cost with the impact recognised the Statement of Comprehensive income

IFRS 9 outlines a 3-stage model for impairment based on changes in credit quality since initial recognition.

- Stage 1 All financial instruments at initial recognition (except if already credit-impaired at acquisition).
- Stage 2 A financial instrument is moved to stage 2 if there is a significant increase in credit risk since initial recognition.
- Stage 3 Any financial instrument that is credit-impaired.

Financial instruments in stage 1 have their Expected Credit Loss (ECL) measured at an amount equal to the portion of lifetime expected credit losses that result from default events possible within the next 12 months. Instruments in stage 2 or 3 have their ECL measured based on expected credit losses on a lifetime basis.

2.8 Impairment of Financial Assets carried at amortised cost

The Group first assesses whether objective evidence of impairment exists.

If there is objective evidence that an impairment loss on financial asset at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced with an allowance account and the amount of the loss is recognised in the income statement. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Company may measure impairment based on an instrument's fair value using an observable market price.

At each reporting date, an entity measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. At each reporting date, an entity assesses whether the credit risk on a financial instrument has increased significantly since initial recognition.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the previously recognised impairment loss is reversed by adjusting the allowance account. The amount of the reversal is recognised in the income statement.

2.9 Derivative Financial Instruments

Derivative financial instruments include contracts for difference on foreign currency pairs, gold, indices and commodities that are initially recognised in the statement of financial position at fair value on the date a derivative contract is entered into and that are subsequently remeasured at their fair value. Fair values are determined by the prices quoted by the Company, which are derived from directly observable exchange rates and quoted prices obtained from stock exchanges. Derivative financial instruments are recognised on the statement of financial position as current assets when fair value is positive and as current liabilities when fair value is negative. Derivative financial instruments form part of the Company's operating activities.

2.10 Leases

The Company has continued to apply the accounting policies set by IFRS 16. The company recognises a right-of-use asset and a lease liability at the lease commencement date.

The right-of-use asset is initially measured as the lease liability adjusted for any initial direct cost incurred by lessee, any lease payments made at or before the commencement date less any lease incentives received and any restoration costs. This right-of-use asset is subsequently depreciated using the straight-line method over the lease term.

The lease liability is initially measured based on present value of the future lease payment using implicit lease rate or incremental borrowing rate (IBR) where not available. The lease liability is subsequently measured at amortised cost using the effective interest rate method.

2.11 Tangible Assets

Tangible assets are stated at historical cost less depreciation. Historical cost includes expenses that are directly attributable to the acquisition of the items. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Furniture and equipment	Over 3 years at 33% per annum on a straight line basis
Computer hardware	Over 3 years at 33% per annum on a straight line basis

Subsequent costs are included in the asset's carrying amount or are recognised as separate assets, as appropriate, only when it is probable that the future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

The cost of acquisition and accumulated depreciation of an item is derecognised when no future economic benefits are expected from its use or disposal.

The assets' residual values and useful lives are reviewed, and adjusted as appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the income statement.

The Company has fully depreciated all of its tangible assets as at the end of 31 December 2022 (excluding right-of-use assets).

2.12 Impairment of Tangible Assets

Assets that have an indefinite useful life - for example, goodwill - are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the highest of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2.13 Current and Deferred Tax

The charge for taxation is based on the profit or loss for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred income taxes are provided, using the asset-liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Deferred income tax is determined using tax rate (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that the Company has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which the unused tax losses or unused tax credits can be utilised by the Company. No Deferred Tax Asset (DTA) has been recognised as at 31 December 2022. (2021: nil)

2.14 Post-Retirement Benefits

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

2.15 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of past events, if it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at balance sheet date. Where a provision is measured using cash flow estimates to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefit required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that the reimbursement will be received and the amount of the receivable can be measured reliably.

2.16 Share Capital

Ordinary shares are classified as equity. Share premium includes any premium received on the issuing of new shares.

Incremental costs directly attributable to the issue of new shares or options or to the acquisition of a business are shown in equity as a deduction, net of tax, from the proceeds.

2.17 Fiduciary Activity

The Company holds money on behalf of clients in a fiduciary capacity and in accordance with the Client Money Rules of the Financial Conduct Authority. Such monies and the corresponding amounts due to clients are excluded from these financial statements as the Company is not beneficially entitled thereto. As at 31 December 2022 the Company held £9,585,756 in segregated client money accounts (£30,597,931 as at 31 December 2021).

2.18 Cash and Cash Equivalents

Cash and cash equivalents include cash in hand, cash at bank and deposits held at call with banks.Cash and cash equivalents include highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. Such investments are normally those with less than three months' maturity from the date of acquisition

3 Financial Risk Management

The Company is exposed to a number of financial risks including business risk, market risk, credit risk, operational risk, liquidity risk, and regulatory risk. The board of directors has direct responsibility for the Company's risk management and control framework, which includes the preparation of a quarterly risk report presented to the Company's board of directors and to the parent Company's risk management function. The Company also reviews at least annually its Internal Capital Adequacy and Risk Assessment ("ICARA"), which includes an assessment and quantification of the risks that the Company is exposed to.

3.1 Credit Risk

Credit risk is defined as the possibility of a loss being incurred as the result of a counterparty failing to meet its financial obligations.

Credit risk arises from derivative financial instruments and deposits with banks and financial institutions, as well as from credit exposure to customers, including outstanding receivables. Client's cash is managed in accordance with the FCA's Client Money rules, and is held in bank accounts with authorised institutions. Under these rules and safeguard its security, client's cash is segregated from the Company's cash. All financial institutions used for investment of both customer and corporate cash are evaluated for credit worthiness.

The credit risk in respect of customers arises from a customer's trading position going into deficit through incurring a loss in excess of the required margin deposit. The trading platform provided to customers compares in real time client margin deposits with potential losses, and where margin deposits are insufficient, will close out immediately all open positions to avoid a debtor position occurring (in normal market conditions). Given the liquidity in the markets in which the Company operates, the likelihood of this resulting in a loss to the Company is low. Given that the client's positions are all covered by margin held at the year-end date, the credit risk exposure is nil. In exceptional situations where the market prices move very rapidly the closing of positions might result in a loss. Such risk is mitigated by client base composition analysis, attentive check on appropriateness and financial soundness for professional clients as well as close trading activity control and diversification of credit counterparties.

(i) Maximum Exposure to Credit Risk

The following table contains an analysis of the credit exposure on financial assets according to IFRS 9 3-stage model:

31 December 2022	Stage 1 £	Stage 2 £	Stage 3 £	Total £
Cash at bank	32,245,346	-	-	32,245,346
Trade debtors	-	-	2,204,365	2,204,365
Other receivables	393,663		-	393,663
Total credit exposure on financial assets (gross amount)	**32,639,009**	-	**2,204,365**	**34,843,374**
ECL Provision	(10,000)	-	(2,204,365)	(2,214,365)
Total credit exposure on financial assets (net amount)	**32,629,009**	-	-	**32,629,009**

31 December 2021	Stage 1 £	Stage 2 £	Stage 3 £	Total £
Cash at bank	18,166,093	-	-	18,166,093
Trade debtors	120,472	-	2,010,787	2,131,259
Other receivables	598,153	-	-	598,153
Total credit exposure on financial assets (gross amount)	18,884,718	-	**2,010,787**	**20,895,505**
ECL Provision	(6,000)	-	(2,010,787)	(2,016,787)
Total credit exposure on financial assets (net amount)	18,878,718	-	-	**18,878,718**

(ii) Credit Quality of Financial Assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available).

	2022 £	2021 £
Cash at bank		
A+ to A-	23,726,088	9,064,063
BBB+ to BBB-	8,394,372	377,739
Not externally rated	114,886	8,718,291
Total Cash at bank	32,235,346	18,160,093
Trade debtors and Other receivables		
Unrated	393,663	718,625

(iii) Offsetting

Offsetting and related rights to set-off are risk management tools that the Group uses among others to reduce counterparty credit risk.

The following table presents the recognised financial instruments that are subject to enforceable matter netting arrangements or other similar agreements.

	Owed from Group – Gross Financial Assets £	Owed to Group – Gross Financial Liabilities £	Open derivatives with clients £	Margin Received from client £	Net amount after offsetting in the balance sheet £
Amounts owed from / to Group	80,475,352	(106,069,207)	-	-	(25,593,855)
Advances of Net Unrealised Revenue	-	-	6,147,294	(6,147,294)	-
Balance at 31 December 2022	**80,475,352**	**(106,069,207)**	**6,147,294**	**(6,147,294)**	**(25,593,855)**

	Owed from Group – Gross Financial Assets £	Owed to Group – Gross Financial Liabilities £	Open derivatives with clients £	Margin Received from client £	Net amount after offsetting in the balance sheet £
Amounts owed from / to Group	68,818,293	(80,742,239)	-	-	(11,923,946)
Advances of Net Unrealised Revenue	-	-	5,797,867	(5,797,867)	-
Balance at 31 December 2021	**68,818,293**	**(80,742,239)**	**5,797,867**	**(5,797,867)**	**(11,923,946)**

The Company has a contractual agreement with Swissquote Bank SA to offset trade payables and receivables.

The Company sets off unrealised losses incurred in respect of an open position against any of the client margin that is held by the Company. This arrangement meets the criteria for offsetting and therefore no derivatives are presented on the balance sheet.

3.2 Liquidity Risk

This risk arises primarily from funding client open positions. All trades are on a matched-principal basis with the parent Company, which provides funding for the Company. Liquidity risk also arises from the risk of not being able to liquidate investments in a timely manner.

Adequacy of liquidity levels are monitored on a daily basis to guarantee capital support to the day to day activities and sufficient resources in case of adverse circumstances or residual risk crystallisation. In the event of the Firm's insolvency, liquidity could be sourced from Swissquote Group. The company has paid detailed attention to this risk, as demonstrated in the consideration of capital-planning buffer, and the most severe reverse stress resulting in case of wind down or unfavourable market conditions.

The table below presents the balances payable by the Company under non-derivative financial liabilities by remaining contractual maturities at the balance sheet date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

	Less than 1 year £	Between 2 and 5 years £	Total £
31 December 2022			
Trade and Other Payables	26,420,028	-	26,420,028
31 December 2021			
Trade and Other Payables	12,754,142	-	12,754,142

Financial commitments

At the year end, the Company was committed to make the following payments in respect of lease with expiry date on 29th April 2026:

	Less than 1 year £	Between 2 and 5 years £	Total £
31 December 2022			
Lease liabilities	128,866	262,947	391,813
31 December 2021			
Lease liabilities	241,987	322,649	564,636

3.3 Market Risk

(i) Price Risk

The Company trades on a matched-principal basis with its parent Company and takes no proprietary positions, and hence is not exposed to direct market risk.

(ii) Foreign Exchange Risk

The functional currency is Sterling Pound, but the Company operates on a cross-border basis, hence has assets and liabilities denominated in other currencies, and is exposed to movements in foreign exchange rates. The Company seeks to mitigate this exposure by minimising the exposure in foreign currencies.

The foreign exchange risk arises primarily with respect to the Euro and US dollar.

At 31 December 2022, if the Sterling Pound (£) had strengthened by 10% against the Euro with all other variables held constant the pre-tax loss for the year would have been £938,114 higher (2021: £507,100 higher), mainly as a result of foreign exchange losses/gains on the translation of Euro denominated balances.

At 31 December 2022, if the Sterling Pound (£) had strengthened by 10% against the US dollar with all other variables held constant the pre-tax loss for the year would have been £67,476 lower (2021: £38,163 lower), mainly as a result of foreign exchange losses/gains on the translation of US dollar denominated balances.

(iii) Liquidity risk

Liquidity risk represents the risk that the level of expected market activity changes dramatically and, in certain cases, may even cease to exist. This situation resulting in the inability for a market participant to liquidate a position in a timely manner at a reasonable price. The effects of market liquidity risk can result into a price impact of trading activity and/or a postponed trading execution. This exposes the Company to the risk that it will not be able to transact business and execute trades in an orderly manner which may affect the results and/or client account balances. Adequacy of liquidity levels are monitored on a daily basis to guarantee capital support to the day to day activities and sufficient resources in case of adverse circumstances or residual risk crystallisation. In the event of the Firm's insolvency, liquidity could be sourced from Swissquote Group. The company has paid detailed attention to this risk, as demonstrated in the consideration of capital-planning buffer, and the most severe reverse stress resulting in case of wind down or unfavourable market conditions

(iv) Interest rate risk

Cash flow interest rate risk is the risk that the future cash flow of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates.

As the Company does not hold any material assets/liabilities subject to interest rates, this risk is considered insignificant.

No sensitivity analysis is presented for interest rate risk as the impact of reasonably possible market movements on the Company's pre-tax profit are not significant to the Company's financial performance and position.

3.4 Operational Risk

Operational risk is defined as the risk of direct or indirect losses resulting from an inadequacy or failure attributable to procedures resulting from human, systems, or external factors. Due to the dynamic operations of the parent Company and expansion within the Group, Swissquote Ltd is exposed to greater operational risk. This risk is mitigated by the Company's systems of internal controls, policies and procedures.

Swissquote Bank is the outsourced provider of IT systems, marketing support and certain back office functions. These risks may lead to additional costs in improving systems and controls to prevent failures and loss of business due to reputational damage. The Company holds internal capital against the risk of operational failings that pose the greatest risk to the company's ability to provide proper services to clients and meet fiduciary and regulatory obligations.

3.5 Business Risk

The principal business risk for the Company is to acquire sufficient customers and generate revenue that cover the fixed overheads of the business. Thereafter, the Company will have a dependency upon the trading volumes of its customer base, which are to a significant extent driven by volatility in the market. The impact of reduced volatility can be mitigated by reducing the level of marketing spend and by diversifying trough cross selling activities the products traded by the customers. Different underlying securities incur different levels of potential future exposure on derivative trades. Commodity risk is calculated under the CRR Article 357.

3.6 Regulatory Risk

Regulatory risk is the risk of non-compliance with, and future changes to, regulatory rules potentially impacting our business in the markets in which we operate. The Company's products make them higher risk when compared to traditional forms of trading. They are leveraged, derivative products, not listed on an exchange. Consequently, the Company's regulatory licenses, especially those which enable trading with retail clients, are subject to a large number of rules. The Company mitigates the risk of non-compliance by ensuring it has adequate and experienced compliance professionals and associated policies and procedures.

3.7 Capital Management

The Company manages its capital resources on the basis of regulatory capital requirements and through its own assessment of capital required to cover all material financial risks. The Company manages its regulatory capital through an Internal Capital and Risk Assessment in accordance with guidelines and rules implemented by the FCA. The Company's capital is equal to Total Shareholders' Funds. The Company has complied with all externally imposed capital requirements to which it is subject.

3.8 Financial Assets and Liabilities Categorisation

IFRS 7 requires presenting all financial assets and liabilities of the Company by category and by class of instruments.

31 December 2022	Amortised cost	Fair value through profit or loss	Total
	£	£	£
Trade and Other Receivables	434,624	-	434,624
Cash and Cash Equivalents	32,235,346	-	32,235,346
Total Financial Assets	**32,669,970**	**-**	**32,669,970**

	Other liabilities	Fair value through profit or loss	Total
	£	£	£
Trade and Other Payables	26,420,028	-	26,420,028
Lease liabilities	391,813	-	391,813
Total Financial Liabilities	**26,811,841**	**-**	**26,811,841**

31 December 2021	Amortised cost	Fair value through profit or loss	Total
	£	£	£
Trade and Other Receivables	579,364	-	579,364
Cash and Cash Equivalents	18,160,093	-	18,160,093
Total Financial Assets	**18,739,457**	**-**	**18,739,457**

	Other liabilities	Fair value through profit or loss	Total
	£	£	£
Trade and Other Payables	12,754,142	-	12,754,142
Lease liabilities	507,886	-	507,886
Total Financial Liabilities	**13,262,028**	-	**13,262,028**

4 Turnover

	2022	2021
	£	£
Mark-up earned on foreign exchange and CFDs	2,285,635	3,576,501
Commission payable to introducing brokers	(531,625)	(565,756)
	1,754,010	3,010,745

5 Administrative expenses

	2022	2021
	£	£
Staff costs (shown in note 6)	864,510	1,751,504
Depreciation	124,901	163,493
Other expenses (shown in note 7)	626,104	658,968
Auditors' remuneration:		
Auditors' - audit of these financial statements	53,700	36,250
Auditors' - other assurance services required by law or regulation	43,500	31,238
	1,712,715	2,641,453

6 Staff Costs

	2022	2021
	£	£
Wages and salaries	712,174	1,500,886
Other pension costs	56,064	76,487
Social security costs	96,272	174,131
	864,510	1,751,504

7 Other Expenses

	2022 £	2021 £
Bank fees	121,486	90,806
Staff related expenses	29,041	46,902
Marketing	7,891	27,600
Occupancy	123,716	100,281
Communication & I.T	64,473	116,692
Legal	6,684	22,763
Insurance	3,031	2,389
Consultancy/ Other Professional	193,671	210,128
Travel & Entertaining	11,031	219
Office General	13,962	6,002
Irrecoverable VAT	12,263	24,174
Other	38,855	11,012
	626,104	658,968

8 Remuneration of Directors

	2022 £	2021 £
Directors' emoluments	408'529	470,545
Amounts receivable under long term incentive schemes	-	-
Company contributions to money purchase pension schemes	29'750.05	26,187
Amounts paid to third parties in respect of directors' services	-	-
	438'279	496,732

The aggregate of emoluments and Company pension contributions to a money purchase scheme of the highest paid director during 2022 is £209'567 and 2021 is £431,036.This amount is included in the staff costs stated in Note 6.

9 Pension Costs

The Company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the Company to the scheme and amounts to £56,064 (2021: £76,487).

There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

10 Tax on profit

	2022 £	2021 £
United Kingdom corporation tax		
Current tax	(8,232)	-
Deferred tax	-	-
Tax on profit	**(8,232)**	-

The average rate of current tax for year, based on the UK standard rate of corporation tax, is 19% (2021: 19%).

	2022	2021
	£	£
Profit before taxation	43,327	362,905
Tax on profit / (loss) at average rate	(8,232)	(68,952)

Factors affecting charge for the year:		
Impact of deferred tax on brought forward losses not recognised	-	68,952
Total actual amount of tax	(8,232)	-

Factors that may affect future current and total tax charges:

As at 31 December 2022 there are no (2021: £83,745) potential tax credits available to the Company to set off against future profits of the same trade.

The effective rate for the year ended 31 December 2022 is 19% (2021: 19%).

11 Trade and Other Receivables

	2022	2021
	£	£
Amounts due from customers	2,204,365	2,131,258
Prepayments	40,961	81,444
Rent deposit	139,260	139,260
Other receivables	254,403	458,893
Total - Gross	2,638,989	2,810,855
The loss allowance for the impaired balance due from customers	(2,204,365)	(2,010,787)
	434,624	**800,068**

At 31 December 2022, the balance of amounts due from customers of GBP 2.2 million (2021: 2.1 million) includes a provision of GBP 2.2 million related to the removal of the 1.20 floor on EUR/CHF by Swiss National Bank in 2015.

The carrying amounts of the Company's trade and other receivables are denominated in the following currencies:

	2022	2021
	£	£
Pound sterling	434,624	679,597
Other currencies	-	120,471
	434,624	**800,068**

The carrying value less impairment provision of trade receivables is approximately their fair value.

12 Cash and Cash Equivalents

	2022	2021
	£	£
Corporate bank accounts	32,245,346	18,166,093
ECL provision	(10,000)	(6,000)
	32,235,346	18,160,093

As explained in Note 2.17, the Company excludes from the face of its balance sheet cash held in segregated client money bank accounts on behalf of clients. As at 31 December 2022 this amounted to £9,585,756 (2021: £30,597,931).

The cash and cash equivalents are analysed in the following currencies:

	2022 £	2021 £
Pound sterling	4,596,192	3,269,277
Euro	23,505,767	11,012,470
US dollar	1,289,000	725,457
Other currencies	2,844,387	3,152,889
	32,235,346	**18,160,093**

13 Called up Share Capital

	2022 £	2021 £
Allotted, called up and fully paid:		
Brought forward	4,260,100	4,260,100
As at end of year	**4,260,100**	**4,260,100**

14 Leases

	2022 £	2021 £
Right-of-use asset		
Opening amount	495,917	325,817
Additions	-	624,501
Depreciation	(124,901)	(163,493)
Termination	-	(290,908)
Closing amount	**371,016**	**495,917**

	2022 £	2021 £
Lease liabilities		
Opening amount	507,886	331,951
Addition	-	624,501
Lease payment (principal)	(109,811)	(144,370)
Interest expense	(6,262)	(7,116)
Termination	-	(297,080)
Closing amount	**391,813**	**507,886**

The income statement reflects the following amounts relating to leases:

	2022 £	2021 £
Depreciation charge on right-of-use assets	(124,901)	(163,493)
Interest expense on lease liability	(6,262)	(7,116)

Total cash payments for leases in 2022 amounted to £123,192 (2021: £144,370).

15 Trade and Other Payables

	2022 £	2021 £
Accrued Administrative expenses	332,656	367,906
Trade creditors	493,517	462,290
Amounts owed to group undertaking	25,593,855	11,923,946
	26,420,028	**12,754,142**

The fair values of trade and other payables as of 31 December 2022 and 31 December 2021 approximate their carrying amount.

During the year under review, the company has one lease agreement related to the Company's premises (2021: same).

16 Related Party Transactions and Ultimate Controlling Party

The Company is a subsidiary of Swissquote Bank SA, a Company incorporated in Switzerland, whose address is Chemin de la Crétaux 33, 1196 Gland, Switzerland, and which heads the smallest group for which consolidated financial statements are produced. Swissquote Bank SA is regulated by the Swiss Financial Market Supervisory Authority (FINMA).

The ultimate parent and controlling party is Swissquote Group Holding Ltd, a Company incorporated in Switzerland whose address is Chemin de la Crétaux 33, 1196 Gland, Switzerland, and which heads the largest group for which consolidated financial statements are produced.

The Company trades with its clients as principal, with all trades being matched with offsetting trades with its parent Company, who applies mark-ups and commissions on each trade.

17 Subsequent Events

There were no post statement of financial position events that require adjustments or disclosure in these financial statements.