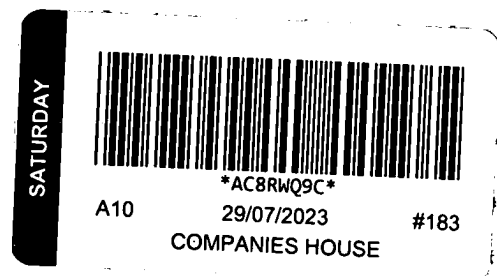


Trad-X (UK) Limited

Strategic report, Directors' report and statutory financial statements

31 March 2023

Registered no: 07712475



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Trad-X (UK) Limited

General information

Directors	M Anderson F Brisebois W Wostyn	
Secretary	M Lau	(resigned on 14 February 2023)
Registered office	Beaufort House 15 St. Botolph Street London EC3A 7QX	
Auditors	Ernst & Young LLP 25 Churchill Place London E14 5EY	
Bankers	NatWest 120 – 122 Fenchurch Street London EC3M 5AN	
Registration Number	07712475	

Strategic report

The Directors present their strategic report for the year ended 31 March 2023 for Trad-X (UK) Limited ("the Company"). The Company is a private limited company incorporated in the United Kingdom and registered in England and Wales. The company has claimed exemption to prepare Section 172(1) Statement.

Principal activities and review of the business

The Company was incorporated in order to undertake the provision of a hybrid trading platform (both voice and electronic) for OTC derivatives and other financial instruments, and is authorised and regulated by the Financial Conduct Authority. During the year the Company has not undertaken this principal activity as it is currently undertaken under the "Trad-X" branding by Tradition (UK) Limited (a fellow subsidiary undertaking of Compagnie Financiere Tradition SA ("CFT")), consistent with prior years.

Principal risks and uncertainties

Brexit

The United Kingdom left the European Union on 31 January 2020, with a transition period to negotiate a trade agreement ending on 31 December 2020.

The Board continues to actively monitor the situation however consider there to be no impact on the Company.

Coronavirus disease 2019 ("COVID-19")

The Board continues to actively monitor the situation however as the Company does not carry out trading activities it is not impacted by the global pandemic.

Russian invasion of Ukraine

In the build-up to the current crisis in Ukraine, Western allies warned Russia that any breach of Ukraine's territorial integrity and sovereignty would be met with unprecedented economic measures. On 24 February 2022, Russian military forces crossed the border into Ukraine. The UK, EU, US, and other allies, have responded with significant coordinated sanctions, targeting Russia's financial sector, strategic sectors of the economy such as defence and aerospace, and individuals close to the regime.

The Board continues to actively monitor the situation however as the Company does not carry out trading activities it is not impacted by the invasion.

On behalf of the Board



M Anderson
Director
28 July 2023

Directors' report

The Directors present their report and financial statements for the year ended 31 March 2023.

Directors and their interests

The Directors who served during the year and up until the date of signing were as follows:

M Anderson
F Brisebois
W Wostyn

None of the Directors had any beneficial interest in the share capital of the Company at any time during the year.

Directors' liabilities

The Company has granted an indemnity to one or more Directors of the Company against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision was in force during the year.

Results and dividends

The Company did not carry out any trading activities during the year ended 31 March 2023 and occurred no profit or loss for the year (2022: £nil).

Going concern

The Company has not traded during the year; and up until the date of signing the related operations continue to be undertaken within Tradition (UK) Limited. The directors are satisfied that the Company has adequate resources to continue to operate as a going concern for the period up to 12 months from when the financial statements were authorised for issue. For this reason they continue to adopt the going concern basis in preparing these financial statements

Future developments

The Directors ultimately expect that the "Trad-X" branded business will migrate to the Company with the agreement of Tradition (UK) Limited and other third parties; however the timing of this remains unknown.

Disclosure of information to the auditors

So far as each person who was a Director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow Directors and the Company's auditor, each Director has taken all the steps that he is obliged to take as a Director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

Trad-X (UK) Limited

Auditors

The auditor in office will be deemed to have been re-appointed pursuant to section 487(2) of the Companies Act 2006 unless the members or Directors resolve otherwise.



On behalf of the Board

M Anderson

Director

28 July 2023

Statement of Directors' responsibilities in respect of financial statements

The following statement, which should be read in conjunction with the independent auditors' report, is made by the Directors to explain their responsibilities in relation to the preparation of the Director's report, strategic report and financial statements.

The Directors are responsible for preparing the Director's report, strategic report and 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards including Financial Reporting Standard 101 'Reduced Disclosure Framework' and applicable law).

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 in accordance with IAS 8: "Accounting policies, changes in accounting estimates and errors" and then apply them consistently;
- Present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- Provide additional disclosures when compliance with the specific requirements of FRS 101 is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Company's financial position and financial performance; and
- State that the Company had complied with FRS 101, subject to any material departures disclosed and explained in the financial statements.

The Directors are responsible for keeping adequate accounting records that 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.

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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TRAD-X (UK) LIMITED

Opinion

We have audited the financial statements of Trad-X (UK) Limited (the "Company") for the year ended 31 March 2023 which comprise the Statement of comprehensive income, the Balance sheet, the Statement of changes in equity and the related notes 1 to 13, 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 FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the Company's affairs as at 31 March 2023 and of its results 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 Auditor's 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 UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the Company's ability to continue to adopt the going concern basis of accounting included the following:

- Validated that the directors' assessment covers at least 12 months from the reporting date, with our procedures covering the same period as the directors' assessment;
- Understood the method applied by the directors, and considered whether it was appropriate in the context of the reporting framework;
- Evaluated whether the data used in the assessment is appropriate and sufficiently reliable for our audit purposes, and tested supporting calculations for mathematical accuracy;
- Assessed the reasonableness of the directors' underlying assumptions applied in the method;
- Evaluated plans for future actions and obtained written representations in this regard;
- Considered any additional information arising subsequent to the date of the directors' assessment, prior to the reporting date that should be factored into the assessments;
- Performed independent sensitivity analysis on the stressed scenarios applied by the directors; and
- Evaluated the accuracy and reasonableness of stress testing performed by the management.

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 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's ability to continue as a going concern.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions 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 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 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 set out on page 7, 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.

Auditor's 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 auditor's 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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. 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. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are UK Companies Act 2006, UK tax legislation, FRS 101 "Reduced Disclosure Framework" and the requirements of the Financial Conduct Authority.
- We understood how the Company is complying with those frameworks by making inquiries of management, internal audit and those responsible for legal and compliance matters. We have also performed a review of regulatory correspondence and reviewed minutes of the Board meetings held.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by considering the entity level controls that the Company has established to address risks identified by the Company, or that otherwise seek to prevent, deter or detect fraud. Where the risk was considered to be higher, including areas impacting management remuneration, we performed audit procedures to address these risks. We also considered performance and incentive plan targets and their potential to influence management to manage earnings. Our procedures also included sampling manual journal entries to verify that the transactions were appropriate and supported by the source documentation.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved making inquiries of senior management (including internal legal counsel) and internal audit, and obtaining confirmations from external legal counsels, for their awareness of any non-compliance with laws or regulations, inquiring about the policies that have been established to prevent non-compliance with laws and regulations by officers and employees and inquiring about the Company's methods of enforcing and monitoring compliance with such policies.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Trad-X (UK) Limited

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 auditor's 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.

Ernst & Young LLP

Nicholas Dawes (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London
28 July 2023

Trad-X (UK) Limited

Statement of comprehensive income

For the year ended 31 March 2023

	Notes	2023 £ '000	2022 £ '000
Revenue		-	-
Administrative expenses		-	-
Operating (loss)		-	-
Other income		-	-
(Loss) before interest and tax		-	-
Interest payable		-	-
(Loss) before tax		-	-
Tax on loss on ordinary activities		-	-
(Loss) for the year after tax		-	-

The notes on pages 15 to 21 form part of these financial statements.

Trad-X (UK) Limited

Balance sheet

As at 31 March 2023

	Notes	2023 £ '000	2022 £ '000
Current assets			
Trade and other receivables	4	199	199
Cash and cash equivalents	3	<u>1</u>	<u>1</u>
		200	200
Creditors: amounts falling due within one year			
Creditors: amounts falling due within one year	5	<u>(1)</u>	<u>(1)</u>
		(1)	(1)
Net current assets		199	199
Net assets		<u>199</u>	<u>199</u>
Capital and reserves			
Called up share capital	6	200	200
Retained earnings		<u>(1)</u>	<u>(1)</u>
Shareholders' funds		<u>199</u>	<u>199</u>

The notes on pages 15 to 21 form part of these financial statements.

The financial statements of Trad-X (UK) Limited, registered number 07712475 were approved and authorised for issue by the Board on 28 July 2023 and were signed on its behalf by:



M Anderson
Director

Trad-X (UK) Limited

Statement of changes in equity

For the year ended 31 March 2023

	Share Capital £ '000	Retained earnings £ '000	Total Equity £ '000
At 1 April 2021	200	(1)	199
(Loss) for the year	-	-	-
At 31 March 2022	200	(1)	199
At 1 April 2022	200	(1)	199
(Loss) for the year	-	-	-
At 31 March 2023	200	(1)	199

The notes on pages 15 to 21 form part of these financial statements

Notes to the financial statements

For the year ended 31 March 2023

1. Authorisation of financial statements

The financial statements of Trad-X (UK) Limited for the year ended 31 March 2023 were authorised for issue by the Board on 28 July 2023 and the Balance Sheet was signed on the Board's behalf by M Anderson.

2. Accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all periods presented, unless otherwise stated.

Basis of preparation

The financial statements have been prepared under the historical cost convention, and in accordance with the Companies Act 2006 and FRS 101 'Reduced Disclosure Framework'. The Company has not traded during the year; and up until the date of signing continues to operate the business within Tradition (UK) Limited.

The Company's financial statements are presented in GBP and all values are rounded to the nearest one thousand pounds (£1k), except when otherwise stated.

As permitted by FRS 101, the Company has taken advantage of the following disclosure exemptions:

- Disclosure of comparatives for tangible and intangible fixed asset reconciliations;
- Presentation of a statement of cash flows;
- Disclosure of key management compensation; and
- Impairment of assets

Going concern

The Directors are satisfied that the Company has adequate resources to continue to operate as a going concern for the period up to 12 months from when the financial statements were authorised for issue and the financial statements have been prepared on this basis.

Revenue Recognition

IFRS 15 "Revenue from Contracts with Customers" establishes a five-step model to account for revenue deriving from contracts with customers, where revenue is recognised as and when 'control' of the goods and services underlying a particular performance obligation is transferred to the customer. Determining the timing of the transfer of control, at a point in time or over time, requires judgement.

The Company does not currently have any business operations and a result does not recognise revenue.

Income taxes

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted by the balance sheet date. Deferred income tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements, with the following exceptions:

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- Where the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- Deferred income tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised.

Deferred income tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or liability is settled, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date. Deferred income tax assets and liabilities are offset, only if a legally enforceable right exists to set off current tax assets against current tax liabilities, the deferred income taxes relate to the same taxation authority and that authority permits the company to make a single net payment.

Income tax is charged or credited to other comprehensive income if it relates to items that are charged or credited to other comprehensive income. Similarly, income tax is charged or credited directly to equity if it relates to items that are credited or charged directly to equity. Otherwise income tax is recognised in the income statement.

Cash at bank and in hand

Cash and short term deposits in the balance sheet comprise cash at bank and in hand and short term deposits with an original maturity of 3 months or less.

Judgements and key sources of estimation uncertainty

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year.

There are no accounting policies that are deemed critical to the Company's results and financial position, in terms of materiality of the items to which the policy is applied, which involve a high degree of judgement and estimation.

Financial instruments

i) Financial assets

Initial recognition and measurement

The classification of financial assets is based both on the business model within which the asset is held and the contractual cash flow characteristics of the asset. There are three principal classification categories for financial assets that are debt instruments (i) amortised cost, (ii) fair value through other comprehensive income ("FVOCI") and (iii) fair value through profit or loss ("FVTPL").

Receivables are initially measured at their transaction price if they do not contain a significant financial component. Other financial assets are initially measured at their transaction price if they do not contain a significant financial component. Other financial assets are initially measured at fair value; financial assets not measured at fair value through profit or loss are measured at fair value plus transaction costs directly attributable to the acquisition of the asset.

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Subsequent measurement

All recognised financial assets are subsequently measured at amortised cost, at fair value through other comprehensive income, or at fair value through profit or loss.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as FVTPL;

- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortised cost

The amortised cost of a financial asset is the amount at which it is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance.

The effective interest rate is the rate that discounts estimated future cash payments or receipts through the expected life of the financial asset to the gross carrying amount of a financial asset.

Trade and other receivables are measured at amortised cost using the effective interest method minus impairment losses.

i) *Impairment of financial assets*

Under IFRS 9, impairment of a financial asset measured at amortised cost is calculated using the ECL model. The ECL allowance is based on the credit losses expected to arise over the life of the asset and are calculated based on either:

- 12 month ECLs: where credit risk on the financial instrument has not increased significantly since initial recognition, loss allowance is measured at an amount from expected default events within 12 months ECL; and
- Lifetime ECLs: where there has been a significant increase in credit risk since initial recognition these are ECLs that result from all expected default events over the expected default events over the expected life of a financial instrument.

Significant increases in credit risk

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company applies a general approach for assessing the ECL for its financial assets. The calculated ECL for financial assets was deemed immaterial and has not been recognised.

Forward looking macroeconomic scenarios and their probability weightings are used to derive the economic inputs in the ECL models. Credit losses are measured as the present value of all cash

Trad-X (UK) Limited

shortfalls, representing the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive. ECLs are discounted at the effective interest rate of the financial asset.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets and recognised in the profit and loss.

3. Cash and cash equivalents

Cash and cash equivalents comprise the following at 31 March:

	2023 £ '000	2022 £ '000
Cash at bank and in hand	1	1
	<u>1</u>	<u>1</u>

4. Trade and other receivables

	2023 £ '000	2022 £ '000
Amounts due from group undertakings	199	199
	<u>199</u>	<u>199</u>

The amounts due from group undertakings include a loan with Trad-X Holding SA Lausanne, its immediate parent company of £199k (March 2022: £199k). The loan is repayable on demand and is interest free.

5. Creditors: amounts falling due within one year

	2023 £ '000	2022 £ '000
Amounts due to group undertakings	1	1
	<u>1</u>	<u>1</u>

The amounts due to group undertakings include a loan with Tradition (UK) Limited, a fellow subsidiary undertaking within the CFT group of £1k (March 2022: £1k). The loan is payable on demand and is interest free.

6. Called up share capital

	2023 £ '000	2022 £ '000
<i>Authorised, allotted and fully paid</i>		
200,000 ordinary shares of £1 each	200	200
	<u>200</u>	<u>200</u>

Trad-X (UK) Limited

7. Directors' remuneration

None of the directors of the Parent Company receive remuneration in respect of their role.

None of the directors of the Parent Company had outstanding loans with the Company as at 31 December 2022 or 31 December 2021.

8. Parent undertaking

The Company's parent undertaking is Trad-X Holding SA with a registered address of 11 rue de Langallerie, CH 1003 Lausanne, Switzerland. Trad-X Holding SA is a subsidiary of Compagnie Financière Tradition SA, a company registered in Switzerland. Compagnie Financière Tradition SA has included the Company in its group accounts, copies of which are publicly available from their offices at Rue de Langallerie 11, Lausanne 1003.

In the Directors' opinion, the Company's ultimate parent company and controlling party is Viel et Compagnie Finance SE, which is incorporated in France. Copies of its group accounts, which include the Company, are publicly available from their offices at 9, PL Vendôme, Paris 75001.

9. Related party transactions

During the year the Company entered into transactions, in the ordinary course of business on an arm's length basis, with other related parties. The Company has taken advantage of the exemption under FRS 101 Reduced Disclosure Framework paragraph 8 (K) not to disclose the amount of the related party transactions. The trading balances outstanding at 31 March with other related parties are as follows:

Related party	Amounts owed by related party £000	Amounts owed to related party £000
Joint ventures		
2023	-	-
2022	-	-
Shareholder and associated companies		
2023	199	1
2022	199	1

Receivables from shareholder and associated companies and payables to shareholder and associated companies include all receivables and payables due to or by VIEL et Compagnie-Finance, Paris, the ultimate majority shareholder and subsidiaries of that company.

Terms & Conditions

Outstanding balances with related parties are unsecured and interest free.

The Company has not provided or benefited from any guarantees or commitments for any related party receivables or payables.

10. Analysis of financial assets and liabilities by measurement basis

Financial assets and liabilities are measured on an ongoing basis either at fair value or at amortised cost. The principal accounting policies in Note 2 describe how the classes of financial instruments are measured, and how income and expenses, including fair value gains and losses, are recognised. During the year the company reviewed whether amounts receivable from related parties were impaired. Based on the review the company has deemed there is an expected credit loss of £1k.

Trad-X (UK) Limited

The following table analyses the financial assets and liabilities in the balance sheet by the class of financial instrument to which they are assigned, and therefore by the measurement basis.

	Financial assets and liabilities at amortised cost £'000	Total £'000
2023		
Assets		
Cash at bank and in hand	1	1
Amounts due from related parties	199	199
Total financial assets	200	200
Total non-financial assets		-
Total assets		200
Liabilities		
Amounts due to related parties	1	1
Total financial liabilities	1	1
Total non-financial liabilities		-
Total liabilities		1
	Financial assets and liabilities at amortised cost £'000	Total £'000
2022		
Assets		
Cash at bank and in hand	1	1
Amounts due from related parties	199	199
Total financial assets	200	200
Total non-financial assets		-
Total assets		200
Liabilities		
Amounts due to related parties	1	1
Total financial liabilities	1	1
Total non-financial liabilities		-
Total liabilities		1

11. Financial risk management policies and objectives

The Company is primarily exposed to credit risk.

Credit and counterparty risk is the risk of financial loss in the event that a customer or counterparty to a financial instrument does not fulfil its obligations. Credit default risk potentially impacts loans receivable from group undertakings.

Loss allowance

The Company applies a general approach to measuring ECL for loans receivable from group undertakings by modelling lifetime expected losses on an individual basis.

The closing loss allowances for broking receivables and personal loans as at 31 March reconcile to the opening loss allowances as follows:

	2023 £'000	2022 £'000
<i>Loss allowance on balances with group undertakings</i>		
Opening loss allowance as at 1 April 2022	(1)	-
(Increase) in expected credit losses	-	(1)
Closing loss allowance as at 31 March 2023	(1)	(1)

12. Capital Management

The responsibility for the Company's capital planning lies with the Board of Directors (the "Board"). Any changes to capital are proposed to the Board and also require the approval of Compagnie Financière Tradition SA (refer to note 8). Capital is generated from shareholder funds. Shareholder funds are in the form of share capital and retained earnings.

13. Other information

Fees payable to the Company's auditor for statutory audit & other assurance services of £10k (2022: £9k) have been borne by a fellow group company.

The Company had no employees during the year (2022: none)