

**Argentex Foreign Exchange Limited**  
**(Formerly Pacific Foreign Exchange Limited)**  
**Annual Report and Audited Financial Statements**  
**For the Year Ended 30 June 2019**

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**Argentex Foreign Exchange Limited**  
**(Formerly Pacific Foreign Exchange Limited)**

**Financial Statements**  
**for the year ended 30 June 2019**

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# **Argentex Foreign Exchange Limited**

## **(Formerly Pacific Foreign Exchange Limited)**

The directors present their report and the audited financial statements of Argentex Foreign Exchange Limited (formerly Pacific Foreign Exchange Limited) ("the company") for the year ended 30 June 2019.

### **Key events in the year**

On 24 June 2019, the company was acquired by Argentex Capital Limited from Pacific Investments Management Limited. Argentex Capital Limited is wholly owned by Argentex Group plc, which became the ultimate parent.

### **Directors**

The directors who served the company during the year were as follows:

H Adams	(Appointed 24 June 2019)
HJ Beckwith	(Appointed 24 June 2019)
A Egan	(Appointed 24 June 2019)
JJMO Gray	(Appointed 24 June 2019)
C Jani	(Appointed 24 June 2019)
D Marritt Jones	(Appointed 24 June 2019)
N Railton	(Appointed 24 June 2019)
SD Williams	(Appointed 24 June 2019)
Vistra Company Secretaries Limited	(Appointed 24 June 2019)
JL Beckwith	(Resigned 24 June 2019)
MC Johnson	(Resigned 24 June 2019)
SD Roberts	(Resigned 24 June 2019)
DF Rogers	(Resigned 24 June 2019)

### **Dividends**

Dividends payable by the company during the year amounted to £2,257,871 (2018: £6,095,071).

### **Principal activities**

The principal activity of the company during the year was that of an investment holding company.

### **Results for the year**

The profit for the year after taxation was £2,292,562 (2018: £1,191,382).

### **Key performance indicators ("KPIs")**

Given the straightforward nature of the business, the company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

### **Principal risks and uncertainties**

The company is primarily a company with an investment in Argentex LLP ('the LLP'), which drives the income and performance of the company. As such, the main risks and uncertainties relate to the carrying value of the company's investment in Argentex LLP and the recoverability of the profit share due thereon, as further described in note 4 of these accounts.

# **Argentex Foreign Exchange Limited**

## **(Formerly Pacific Foreign Exchange Limited)**

### **Directors' responsibilities statement**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS102 "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland". Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the profit or loss of the company for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 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. 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.

### **Auditor**

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware;
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information; and
- this information is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

A resolution to reappoint Nexia Smith & Williamson as auditors will be proposed at the forthcoming Annual General Meeting.

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006

This report was approved by the board of directors on 25 June 2020 and signed on behalf of the board by:



Sam Williams  
Director

Registered office:  
5 Old Bond Street  
London W1S 4PD

**Argentex Foreign Exchange Limited**  
**(Formerly Pacific Foreign Exchange Limited)**

**Independent Auditor's Report to the Shareholder of Argentex Foreign Exchange Limited (formerly Pacific Foreign Exchange Limited)**

**for the year ended 30 June 2019**

**Opinion**

We have audited the financial statements of Argentex Foreign Exchange Limited (formerly Pacific Foreign Exchange Limited) (the "company") for the year ended 30 June 2019 which comprise the Statement of Comprehensive Income and Retained Earnings, Statement of Financial Position and the notes to the financial statements, 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 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2019 and of its profit 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.

**Emphasis of matter – impact of COVID-19**

We draw attention to note 3 of the financial statements, which describes the impact of COVID-19 on the company. Our opinion is not modified in respect of this matter.

**Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**Argentex Foreign Exchange Limited**  
**(Formerly Pacific Foreign Exchange Limited)**

**Independent Auditor's Report to the Shareholder of Argentex Foreign Exchange Limited (formerly Pacific Foreign Exchange Limited) *(continued)***

**for the year ended 30 June 2019**

**Other information**

The other information comprises the information included in the annual report and audited financial statements, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

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

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

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has 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 directors' report.

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

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

**Responsibilities of directors**

As explained more fully in the directors responsibilities statement on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and such internal controls 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.

# **Argentex Foreign Exchange Limited (Formerly Pacific Foreign Exchange Limited)**

## **Independent Auditor's Report to the Shareholder of Argentex Foreign Exchange Limited (formerly Pacific Foreign Exchange Limited) *(continued)***

**for the year ended 30 June 2019**

### **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.

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

### **Use of our report**

This report is made solely to the company's shareholder, 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 shareholder 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 shareholder, as a body, for our audit work, for this report, or for the opinions we have formed.

*Nexia Smith & Williamson*

Guy Swarbreck  
Senior Statutory Auditor, for and on behalf of  
**Nexia Smith & Williamson**  
Statutory Auditor  
Chartered Accountants

25 Moorgate  
London  
EC2R 6AY

Date: 25 June 2020

**Argentex Foreign Exchange Limited**  
**(Formerly Pacific Foreign Exchange Limited)**

**Statement of Comprehensive Income and Retained Earnings**

**for the year ended 30 June 2019**

	Note	2019 £	2018 £
Income from associate undertakings	7	2,300,700	1,221,602
<b>Profit on ordinary activities before taxation</b>		2,300,700	1,221,602
Tax on profit on ordinary activities	8	(8,138)	(30,220)
<b>Profit for the financial year and total comprehensive income</b>		<u>2,292,562</u>	<u>1,191,382</u>
Dividends paid and payable	9	(2,257,871)	(6,095,071)
<b>Retained earnings at the start of the year</b>		–	4,903,689
<b>Retained earnings at the end of the year</b>		<u>34,691</u>	<u>–</u>

The notes on pages 8 to 13 form part of these financial statements.



**Argentex Foreign Exchange Limited**  
**(Formerly Pacific Foreign Exchange Limited)**

**Statement of Financial Position**

**as at 30 June 2019**

	Note	2019 £	2018 £
<b>Fixed assets</b>			
Investments in associates	10	1,595,073	1,595,073
<b>Current assets</b>			
Debtors	11	1,780,283	498,668
<b>Creditors: amounts falling due within one year</b>	12	<u>(3,340,664)</u>	<u>(2,093,740)</u>
<b>Net current liabilities</b>		<u>(1,560,381)</u>	<u>(1,595,072)</u>
<b>Total assets less current liabilities</b>		<u>34,692</u>	<u>1</u>
<b>Capital and reserves</b>			
Called up share capital	14	1	1
Retained earnings	15	<u>34,691</u>	<u>—</u>
<b>Shareholder funds</b>		<u>34,692</u>	<u>1</u>

These financial statements were approved by the board of directors and authorised for issue on 25 June 2020 and are signed on behalf of the board by:



Sam Williams  
Director

Company registration number: 07814670

The notes on pages 8 to 13 form part of these financial statements.

# **Argentex Foreign Exchange Limited (Formerly Pacific Foreign Exchange Limited)**

## **Notes to the Financial Statements**

**for the year ended 30 June 2019**

### **1. Statement of compliance**

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

### **2. General information**

Argentex Foreign Exchange Limited (formerly Pacific Foreign Exchange Limited) is a private company limited by shares incorporated in England and Wales. The address and registered office is 5 Old Bond Street, London, W1S 4PD. The nature of the company's operations are set out in the Directors' Report on page 1.

### **3. Accounting policies**

#### **Basis of preparation**

The company is a subsidiary of the Argentex Group Plc and is therefore exempt from preparing its own consolidated financial statements; the financial statements therefore present information about the company as an individual entity and not about its group.

The functional currency of the company is considered to be pounds sterling as this is the currency of the primary environment in which the company operates.

#### **Going concern**

The company is a holding entity owning a 23% ownership share in Argentex LLP ('the LLP'). The company's immediate parent is Argentex Capital Limited, an entity which is wholly owned by Argentex Group Plc. Argentex Group Plc is the ultimate parent entity.

The company shares a common board with the ultimate parent and has received confirmation from the ultimate parent that sufficient resources will be made available to company and that the company will remain in existence for the foreseeable future, a period of not less than twelve months from the date of this report.

Argentex Group Plc has successfully triggered business continuity provisions in response to Government directives, ensuring its ability to maintain operations. Currently, all relevant staff are successfully working remotely and have full access to the LLP's technology platform that allows them to connect virtually and continue as normal on existing engagements and business development activities. The board of directors and the management team are monitoring the welfare of staff on a daily basis and are providing them with the support they need to operate effectively from remote locations.

The Group has developed a set of financial measures designed to flexibly mitigate the expected near term operational and financial and longer term economic impact of the COVID-19 pandemic on the Group.

Whilst these measures may be extended as events unfold, the board of directors of the Company is confident that in context of the Company's limited financial requirements they give flexibility and sufficient liquidity to the Group and Company business to ensure that the Company can withstand significant shocks, whilst remaining as a going concern for the next twelve months from the date of approval of the Director's report and financial statements.

For these reasons, the directors adopt the going concern basis of accounting in preparing these financial statements.

# **Argentex Foreign Exchange Limited (Formerly Pacific Foreign Exchange Limited)**

## **Notes to the Financial Statements**

**for the year ended 30 June 2019**

### **Disclosure exemptions**

The company has taken advantage of the following exemptions available under FRS 102:

- The exemption from preparing a Statement of Cash Flows; and
- The exemption from disclosing key management personnel compensation

### **Investments in associates**

Investments in associates are stated at cost less any provisions for permanent diminution in value. Realised gains and losses are dealt with through the Statement of Comprehensive Income and Retained Earnings. A review for impairment is carried out if events or changes in circumstances indicate that the carrying amount may not be recoverable, in which case an impairment provision is recognised and charged to the Statement of Comprehensive Income and Retained Earnings.

### **Financial instruments**

The company enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

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

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate.

Financial liabilities and equity instruments issued by the company are classified in accordance with the substance of contractual arrangements entered into and the definitions of a financial liability and equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all its liabilities. Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs.

### **Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is possible that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

# Argentex Foreign Exchange Limited (Formerly Pacific Foreign Exchange Limited)

## Notes to the Financial Statements

**for the year ended 30 June 2019**

Deferred tax balances are not recognised in respect of permanent differences except in respect of business

combinations, when deferred tax is recognised on the differences between fair values of assets acquired and the future tax deductions available for them and the differences between fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using rates and laws that have been enacted or substantively enacted by the balance sheet date.

### 4. Key sources of estimation uncertainty and judgements

The preparation of the financial statements in conformity with the generally accepted accounting practices requires management to make estimates and judgements that affect the reported amounts of assets and liabilities as well as the disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenue and expenses during the reporting period.

#### (i) Carrying value of investments in associates

The carrying value of investments in associates are initially recorded at cost and subsequently measured at cost less provision for impairment. The directors have reviewed all forecast and budgetary information available to them and have deemed there to be no objective evidence that the company will not recover the full amount stated in these financial statements.

#### (ii) Provision on amounts due from group undertakings and associates

Amounts due from group companies and associates are initially recorded at cost and subsequently measured at amortised cost less provision for impairment. The directors have reviewed the financial position of the relevant group undertakings and associates and do not consider the carrying amounts to be impaired.

### 5. Auditor's remuneration

The fee for the audit of these financial statements amounted to £7,500. For the year ended 30 June 2018, the company's audit fee was met by its immediate parent company, at the time Pacific Investments Management Limited.

### 6. Particulars of employees

Other than the directors, the company did not have any employees during the year (2018: nil).

No salaries or wages have been paid to employees, including directors, during the year (2018: £nil).

### 7. Income from associate undertakings

	2019 £	2018 £
Income from associate undertakings	<u>2,300,700</u>	<u>1,221,602</u>

### 8. Tax on profit on ordinary activities

	2019 £	2018 £
Current tax:		
UK current tax expense	<u>8,138</u>	<u>30,220</u>
Tax on profit on ordinary activities	<u>8,138</u>	<u>30,220</u>

**Argentex Foreign Exchange Limited**  
**(Formerly Pacific Foreign Exchange Limited)**

**Notes to the Financial Statements**

**for the year ended 30 June 2019**

The tax assessed on the profit on ordinary activities for the year is lower than (2018: lower than) the standard rate of corporation tax in the UK of 19% (2018: 19%).

	<b>2019</b> <b>£</b>	<b>2018</b> <b>£</b>
Profit on ordinary activities before taxation	<u>2,292,562</u>	<u>1,221,602</u>
Profit on ordinary activities by rate of tax	435,587	232,104
Adjustment to tax charge in respect of prior periods	–	30,220
Group relief claimed without charge	<u>(427,449)</u>	<u>(232,104)</u>
Tax on profit on ordinary activities	<u>8,138</u>	<u>30,220</u>

**9. Dividends**

	<b>2019</b> <b>£</b>	<b>2018</b> <b>£</b>
Dividends payable during the year (excluding those for which a liability existed at the end of the prior year)	<u>2,257,871</u>	<u>6,095,071</u>

During the year, dividends of £2,257,871 were declared to Pacific Investments Management Limited (2018: dividends of £6,095,071 were declared to Pacific Investments Management Limited).

# Argentex Foreign Exchange Limited (Formerly Pacific Foreign Exchange Limited)

## Notes to the Financial Statements *(continued)*

**for the year ended 30 June 2019**

### 10. Investments in associates

	Investment in Argentex LLP £
<b>Cost</b>	
At 1 Jul 2018 and 30 Jun 2019	1,595,073
<b>Impairment</b>	
At 1 Jul 2018 and 30 Jun 2019	—
<b>Carrying amount</b>	
At 30 June 2019	1,595,073

The investment above represents a 23% (2018: 23%) partnership share in Argentex LLP, a currency trading firm incorporated in England & Wales. As at 30 June 2019, Argentex Foreign Exchange Limited and Argentex LLP are both wholly owned subsidiaries of Argentex Group Plc.

### 11. Debtors

	2019 £	2018 £
Amounts owed by associate undertakings	1,780,283	498,668

### 12. Creditors: amounts falling due within one year

	2019 £	2018 £
Amounts owed to group undertakings	3,332,526	2,093,740
Corporation tax payable	8,138	—
	3,340,664	2,093,740

Amounts owed to group undertakings are in relation to group undertakings of Argentex Group Plc (2018: Pacific Investments Limited Group).

### 13. Financial instruments

The carrying amount for each category of financial instrument is as follows:

	2019 £	2018 £
<b>Financial assets</b>		
Financial assets that are debt instruments measured at amortised cost	1,780,283	498,668
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	(3,340,664)	(2,093,740)

# Argentex Foreign Exchange Limited (Formerly Pacific Foreign Exchange Limited)

## Notes to the Financial Statements *(continued)*

**for the year ended 30 June 2019**

**13. Financial instruments *(continued)***

Financial assets measured at amortised cost comprise amounts owed by associate undertakings.

Financial liabilities measured at amortised cost comprise amounts owed to group undertakings.

**14. Called up share capital**

**Issued, called up and fully paid**

	2019		2018	
	No.	£	No.	£
Ordinary shares of £1 each	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

**15. Reserves**

Retained earnings - This reserve records retained earnings and accumulated losses, less amounts distributable to shareholders.

The company has no externally imposed capital restrictions.

**16. Related party transactions**

During the year the company was allocated profits of £2,300,700 (2018: £1,221,602) from Argentex LLP, a firm in which the company is a member. At 30 June 2019 profit allocated totalling £1,780,283 (2018: £498,668) was receivable from the LLP and included in 'Amounts owed by associate undertakings'.

No further transactions with related parties were undertaken such as are required to be disclosed under FRS 102.

**17. Controlling party**

The company's immediate parent is Argentex Capital Limited, a company incorporated in England and Wales. Argentex Capital Limited is wholly owned by Argentex Group Plc, a company incorporated in England and Wales. Argentex Group Plc is the ultimate holding company. There is no ultimate controlling party.