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**ATC BROKERS LIMITED**

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 APRIL 2023**

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**ATC BROKERS LIMITED**

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**COMPANY INFORMATION**

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<b>Directors</b>	Mr D Manoukian Mr J Manoukian Ms J C Claudio
<b>Registered number</b>	08036570
<b>Registered office</b>	3rd Floor Waverley House 7-12 Noel Street London W1F 8GQ
<b>Independent auditors</b>	Ecovis Wingrave Yeats LLP Chartered Accountants & Statutory Auditor 3rd Floor Waverley House 7-12 Noel Street London W1F 8GQ

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**ATC BROKERS LIMITED**

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## ATC BROKERS LIMITED

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### STRATEGIC REPORT FOR THE YEAR ENDED 30 APRIL 2023

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#### Introduction

The principal activity of the Company is to provide online trading solutions within the foreign exchange industry to clients ranging from retail to institutional traders.

#### Business review

The directors are of the opinion that the Company is in a good position to progress into the next financial year and believe that their expertise should help ensure that the Company is successful.

#### Principal risks and uncertainties

The principal risk for the Company is its exposure to the volatility of economic conditions and possible economic downturns. Such downturns will likely have an impact on investor confidence, which will likely impact the frequency and value of trades undertaken by customers.

Market volatility may also expose the Company to significant foreign exchange swings given the value of amounts held in foreign currency accounts. However, to sustain the client money regulations and requirements of the FCA, the Company ensures sufficient capital is maintained at all times with its banking institutions so as to meet any future calls upon client funds received from our clients.

Further, the wider cost of regulation and compliance related to the Company's registration with the FCA means the directors will continue to seek operational efficiencies to offset such costs.

We also understand that foreign exchange exposure may vary.

#### Financial key performance indicators

**Turnover:** 2023 - £2,092,711 (2022 - £1,203,225)

**Operating Loss:** 2023 - £47,916 (2022 - £71,893)

#### Directors' statement of compliance with duty to promote the success of the Company

The directors, in line with their duties under section 172 of the Companies Act 2006 ("s.172"), act in a way that they consider 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 due regard to a range of matters when making decisions for the long term, including the list of non-exhaustive matters as set out in s.172. Factors contained within s.172 are considered when making key decisions and considering matters that are of strategic importance to the Company.

#### Financial Risk Management

The directors constantly monitor the financial risks to which the Company is exposed. Further details are provided in note 16.

This report was approved by the board on 21 July 2023

and signed on its behalf.

*Jack Manoukian*

**Mr J Manoukian**  
Director

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**ATC BROKERS LIMITED**

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**DIRECTORS' REPORT  
FOR THE YEAR ENDED 30 APRIL 2023**

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The directors present their report and the financial statements for the year ended 30 April 2023.

**Directors**

The directors who served during the year were:

Mr D Manoukian  
Mr J Manoukian  
Ms J C Claudio

**Results and dividends**

The loss for the year, after taxation, amounted to £47,633 (2022 - loss £71,040).

**Disclosure of information to auditors**

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

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

**Post balance sheet events**

There have been no significant events affecting the Company since the year end.

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## ATC BROKERS LIMITED

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### DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2023

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#### Directors' responsibilities statement

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

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

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

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

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

#### Future developments

The brokerage market in which the Company operates is competitive but the directors believe that the Company has a strong advantage due to their vast market expertise.

#### Auditors

The auditors, Ecovis Wingrave Yeats LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 21 July 2023

and signed on its behalf.

*Jack Manoukian*

**Mr J Manoukian**  
Director

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## ATC BROKERS LIMITED

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### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ATC BROKERS LIMITED

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#### Opinion

We have audited the financial statements of ATC Brokers Limited (the 'Company') for the year ended 30 April 2023, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 April 2023 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### Basis for opinion

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

#### 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.

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.

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

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## ATC BROKERS LIMITED

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### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ATC BROKERS LIMITED (CONTINUED)

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#### Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' 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 our 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 this other information, we are required to report that fact.

We have nothing to report in this regard.

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

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

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

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

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

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

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

#### Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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



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## ATC BROKERS LIMITED

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### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ATC BROKERS LIMITED (CONTINUED)

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

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

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:

- We considered our general commercial and sector experience and held a discussion with the directors and other management personnel to identify laws and regulations that could reasonably be expected to have a material effect on the financial statements.
- We determined that the laws and regulations which are directly relevant to the financial statements are those that relate to the reporting framework (UK Generally Accepted Accounting Practice) and the relevant tax compliance regulations in the jurisdictions in which the Company operates. We evaluated the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.
- The Company is subject to a number of other laws and regulations where consequences of non-compliance could have a material effect on the financial statements, for example imposition of fines/litigation, or the loss of the Company's licence to trade. We identified the following areas as those most likely to have such an effect: specific aspects of regulatory capital and liquidity, and compliance with the FCA rules. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and inspection of regulatory and legal correspondence, if any.
- In addition, there are other significant laws and regulations which may have an effect on the determination of the amounts and disclosures in the financial statements being those laws and regulations relating to General Data Protection Regulation ("GDPR"), fraud, bribery and corruption. For these laws and regulations, the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through fines or litigation being imposed. As required by the auditing standards, auditing procedures in respect of non-compliance with these identified laws and regulations are limited to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur and by discussing with management to understand where they considered there was susceptibility to fraud. As part of these discussions, we also gained an understanding of the controls that are in place which are designed to prevent and detect irregularities arising from fraud. We evaluated management's incentives and opportunities for fraudulent manipulation on the financial statements (including the risk of override of controls) and posting of inappropriate journal entries in order to improve reported performance. Where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations and fraud risks identified in the paragraphs above. In addition to the audit procedures, we communicated the identified laws and regulations to the audit team and remained alert to any indications of non-compliance throughout the audit. The specific audit procedures performed by the engagement team included:
  - Review of Board minutes;
  - Reviewed correspondence received from regulatory bodies;
  - Reviewed large and unusual bank transactions;

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## ATC BROKERS LIMITED

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### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ATC BROKERS LIMITED (CONTINUED)

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- Identifying and testing journal entries, in particular, any journal entries posted by unexpected users, journals posted at unexpected times (for example, weekend), journals reflecting unusual account combinations, journals indicating large or unusual transactions based on our understanding of the business or journals with descriptions containing key unexpected words.

There are inherent limitations of an audit. There is a higher risk that irregularities, including fraud, will not be detected during the audit as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. The primary responsibility for the prevention and detection of non-compliance with all laws and regulations and fraud lies with both those charged with governance of the entity and management.

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

#### Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

*Gerry Collins*

Gerard Collins (Senior Statutory Auditor)

for and on behalf of

**Ecovis Wingrave Yeats LLP**

Chartered Accountants & Statutory Auditor

3rd Floor Waverley House

7-12 Noel Street

London

W1F 8GQ

Date: 21 July 2023

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**ATC BROKERS LIMITED**

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**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 APRIL 2023**

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	Note	2023 £	2022 £
Turnover	4	2,092,711	1,203,225
Cost of sales		(510,078)	(492,940)
<b>Gross profit</b>		<b>1,582,633</b>	<b>710,285</b>
Administrative expenses		(1,762,526)	(1,569,316)
Other operating income	5	-	13,382
Foreign exchange gains	9	131,977	773,756
<b>Operating loss</b>		<b>(47,916)</b>	<b>(71,893)</b>
Interest receivable and similar income	10	283	-
<b>Loss before tax</b>		<b>(47,633)</b>	<b>(71,893)</b>
Tax on loss	11	-	853
<b>Loss for the financial year</b>		<b>(47,633)</b>	<b>(71,040)</b>

There was no other comprehensive income for 2023 (2022:£NIL).

The notes on pages 12 to 24 form part of these financial statements.

**ATC BROKERS LIMITED**  
**REGISTERED NUMBER: 08036570**

**BALANCE SHEET**  
**AS AT 30 APRIL 2023**

	Note	2023 £	2022 £
<b>Fixed assets</b>			
Tangible fixed assets	12	5,003	1,794
		<u>5,003</u>	<u>1,794</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	13	109,083	135,229
Cash at bank and in hand	14	10,337,514	5,520,603
		<u>10,446,597</u>	<u>5,655,832</u>
Creditors: amounts falling due within one year	15	(8,840,746)	(3,999,139)
<b>Net current assets</b>		<u>1,605,851</u>	<u>1,656,693</u>
<b>Total assets less current liabilities</b>		<u>1,610,854</u>	<u>1,658,487</u>
<b>Net assets</b>		<u><u>1,610,854</u></u>	<u><u>1,658,487</u></u>
<b>Capital and reserves</b>			
Called up share capital	18	785,246	785,246
Profit and loss account		825,608	873,241
		<u>1,610,854</u>	<u>1,658,487</u>

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

*Jack Manoukian*

21 July 2023

**Mr J Manoukian**  
Director

The notes on pages 12 to 23 form part of these financial statements.

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ATC BROKERS LIMITED

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STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 APRIL 2023

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	Called up share capital £	Profit and loss account £	Total equity £
At 1 May 2021	785,246	944,281	1,729,527
Comprehensive income for the year			
Loss for the year	-	(71,040)	(71,040)
At 1 May 2022	785,246	873,241	1,658,487
Comprehensive income for the year			
Loss for the year	-	(47,633)	(47,633)
At 30 April 2023	785,246	825,608	1,610,854

The notes on pages 12 to 24 form part of these financial statements.

**ATC BROKERS LIMITED**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 APRIL 2023**

	2023 £	2022 £
<b>Cash flows from operating activities</b>		
Loss for the financial year	(47,633)	(71,040)
<b>Adjustments for:</b>		
Depreciation of tangible assets	2,002	256
Interest received	(283)	-
Taxation charge	-	(853)
Decrease/(increase) in debtors	26,146	(20,741)
Increase/(decrease) in creditors	51,673	(169,123)
Increase/(decrease) in client monies	4,789,934	(29,320)
<b>Net cash generated from/(used in) operating activities</b>	<b>4,821,839</b>	<b>(290,821)</b>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(5,211)	(1,845)
Interest received	283	-
<b>Net cash used in investing activities</b>	<b>(4,928)</b>	<b>(1,845)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>4,816,911</b>	<b>(292,666)</b>
Cash and cash equivalents at beginning of year	5,520,603	5,813,269
<b>Cash and cash equivalents at the end of year</b>	<b>10,337,514</b>	<b>5,520,603</b>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand - company monies	1,788,630	1,582,107
Cash at bank and in hand - client monies	8,548,884	3,938,496
	<b>10,337,514</b>	<b>5,520,603</b>

The notes on pages 12 to 24 form part of these financial statements.

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## ATC BROKERS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2023

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#### 1. General information

ATC Brokers Limited is a private company, limited by shares, domiciled in England and Wales, registration number 08036570. The registered office is 3rd Floor Waverley House, 7-12 Noel Street, London, W1F 8GQ.

#### 2. Accounting policies

##### 2.1 Basis of preparation of financial statements

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

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

All monetary amounts in these financial statements are rounded to the nearest GBP.

The following principal accounting policies have been applied:

##### 2.2 Going concern

The Company has reported a loss for the year of £47,633 (2022 - £71,040) and at the year end the Company had net assets of £1,610,854 (2022 - £1,658,487). The directors have prepared detailed forecasts to December 2024. The Company is committed to achieving projected revenue growth and to improve margins. In the medium-term, the directors anticipate that the Company will move into a net profit position.

The directors are committed to ensuring that the Company can meet its liabilities as and when they fall due for a period of at least 12 months from the date of approval of these financial statements. One of the main shareholders, Mr J Manoukian, has provided the Company with a letter of support, covering a period of 12 months from the date of approval of these financial statements. On the basis of the forecasts and the confirmation of support provided, the directors consider that it is therefore appropriate for the financial statements to be prepared on the going concern basis.

##### 2.3 Revenue

Revenue is generated through commissions earned on trading platform accounts.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

##### 2.4 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

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## ATC BROKERS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2023

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## 2. Accounting policies (continued)

### 2.5 Foreign currency translation

#### Functional and presentation currency

The Company's functional and presentational currency is GBP.

#### Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

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

All other foreign exchange gains and losses are presented to profit or loss within 'foreign exchange gains'.

### 2.6 Pensions

#### Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

### 2.7 Taxation

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

### 2.8 Tangible fixed assets

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



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## ATC BROKERS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2023

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#### 2. Accounting policies (continued)

##### 2.8 Tangible fixed assets (continued)

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

Depreciation is provided on the following basis:

Fixtures and fittings	- 3 year straight line
Computer equipment	- 3 year straight line

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

##### 2.9 Debtors

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

##### 2.10 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

##### 2.11 Creditors

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

##### 2.12 Financial instruments

The Company has elected to apply the provisions of Section 11 "Basic Financial Instruments" of FRS 102 to all of its financial instruments.

The Company has elected to apply the recognition and measurement provisions of IFRS 9 Financial Instruments (as adopted by the UK Endorsement Board) with the disclosure requirements of Sections 11 and 12 and the other presentation requirements of FRS 102.

Financial instruments are recognised in the Company's Balance Sheet when the Company becomes party to the contractual provisions of the instrument.

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

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## ATC BROKERS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2023

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## 2. Accounting policies (continued)

### 2.12 Financial instruments (continued)

#### Basic financial assets

Basic financial assets, which include trade and other receivables, cash and bank balances, are initially measured at their transaction price including transaction costs and are subsequently carried at their amortised cost using the effective interest method, less any provision for impairment, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents, trade and most other receivables due with the operating cycle fall into this category of financial instruments.

#### Other financial assets

Other financial assets, which includes investments in equity instruments which are not classified as subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the recognised transaction price. Such assets are subsequently measured at fair value with the changes in fair value being recognised in the profit or loss. Where other financial assets are not publicly traded, hence their fair value cannot be measured reliably, they are measured at cost less impairment.

#### Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting date.

Financial assets are impaired when events, subsequent to their initial recognition, indicate the estimated future cash flows derived from the financial asset(s) have been adversely impacted. The impairment loss will be the difference between the current carrying amount and the present value of the future cash flows at the asset(s) original effective interest rate.

If there is a favourable change in relation to the events surrounding the impairment loss then the impairment can be reviewed for possible reversal. The reversal will not cause the current carrying amount to exceed the original carrying amount had the impairment not been recognised. The impairment reversal is recognised in the profit or loss.

#### Financial liabilities

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

Basic financial liabilities, which include trade and other payables, bank loans and other loans are initially measured at their transaction price after transaction costs. When this constitutes a financing transaction, whereby the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Discounting is omitted where the effect of discounting is immaterial.

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

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## ATC BROKERS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2023

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## 2. Accounting policies (continued)

### 2.12 Financial instruments (continued)

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if the payment is due within one year. If not, they represent non-current liabilities. Trade payables are initially recognised at their transaction price and subsequently are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

#### Other financial instruments

Derivatives, including forward exchange contracts, futures contracts and interest rate swaps, are not classified as basic financial instruments. These are initially recognised at fair value on the date the derivative contract is entered into, with costs being charged to the profit or loss. They are subsequently measured at fair value with changes in the profit or loss.

Debt instruments that do not meet the conditions as set out in FRS 102 paragraph 11.9 are subsequently measured at fair value through the profit or loss. This recognition and measurement would also apply to financial instruments where the performance is evaluated on a fair value basis as with a documented risk management or investment strategy.

#### Derecognition of financial assets

Financial assets are derecognised when their contractual right to future cash flow expire, or are settled, or when the Company transfers the asset and substantially all the risks and rewards of ownership to another party. If significant risks and rewards of ownership are retained after the transfer to another party, then the Company will continue to recognise the value of the portion of the risks and rewards retained.

#### Derecognition of financial liabilities

Financial liabilities are derecognised when the Company's contractual obligations expire or are discharged or cancelled.

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

### Deferred tax

Management is required to assess whether it is appropriate to recognise a deferred tax asset relating to taxable losses available to the Company. In making this assessment, management takes into consideration the likelihood of future taxable profits being available to utilise against taxable losses. See note 11 for more details.

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**ATC BROKERS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2023**

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**4. Turnover**

An analysis of turnover by class of business is as follows:

	<b>2023</b> <b>£</b>	<b>2022</b> <b>£</b>
Commission income	<b>2,092,711</b>	<b>1,203,225</b>
	<b>2,092,711</b>	<b>1,203,225</b>

All turnover arose within the United Kingdom.

**5. Other operating income**

	<b>2023</b> <b>£</b>	<b>2022</b> <b>£</b>
Other operating income	-	13,382
	-	13,382

**6. Auditors' remuneration**

During the year, the Company obtained the following services from the Company's auditors and their associates:

	<b>2023</b> <b>£</b>	<b>2022</b> <b>£</b>
Fees payable to the Company's auditors in respect of:		
For the audit of the Company's financial statements	<b>15,100</b>	<b>14,500</b>
Fees payable to the Company's auditors in respect of:		
Taxation compliance services	<b>2,250</b>	<b>2,100</b>
All non-audit services not included above	<b>22,845</b>	<b>21,356</b>

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**ATC BROKERS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2023**

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**7. Employees**

Staff costs, including directors' remuneration, were as follows:

	2023 £	2022 £
Wages and salaries	204,304	127,853
Social security costs	19,765	9,004
Company contributions to defined contribution pension schemes	4,101	3,094
	<u>228,170</u>	<u>139,951</u>

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

	2023 No.	2022 No.
Directors	3	3
Employees	3	2
	<u>6</u>	<u>5</u>

**8. Directors' and key management personnel remuneration**

	2023 £	2022 £
Directors' emoluments	63,682	49,080
Social security costs	7,785	5,592
Directors' pension costs	1,304	1,285
	<u>72,771</u>	<u>55,957</u>

During the year retirement benefits were accruing to 1 director (2022 - 1) in respect of defined contribution pension schemes.

Key management personnel is considered to be limited to the directors.

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ATC BROKERS LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2023

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9. Exceptional items

	2023 £	2022 £
Foreign exchange gains	(131,977)	(773,756)
	<u>(131,977)</u>	<u>(773,756)</u>

10. Interest receivable

	2023 £	2022 £
Other interest receivable	283	-
	<u>283</u>	<u>-</u>

11. Taxation

	2023 £	2022 £
<b>Corporation tax</b>		
Adjustments in respect of previous periods	-	(853)
	<u>-</u>	<u>(853)</u>
<b>Deferred tax</b>		
	<u>-</u>	<u>(853)</u>
<b>Taxation on loss on ordinary activities</b>	<u>-</u>	<u>(853)</u>

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ATC BROKERS LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2023

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11. Taxation (continued)

**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2022 - *higher than*) the standard rate of corporation tax in the UK of 19% (2022 - 19%). The differences are explained below:

	2023 £	2022 £
Loss on ordinary activities before tax	(30,730)	(71,893)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2022 - 19%)	(5,990)	(13,660)
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	134	-
Capital allowances for year in excess of depreciation	(280)	(407)
Adjustments to tax charge in respect of prior periods	-	(853)
Remeasurement of deferred tax for changes in tax rates	-	(11,628)
Movement in deferred tax not recognised	6,136	25,695
<b>Total tax charge for the year</b>	-	(853)

**Factors that may affect future tax charges**

The Company has estimated tax losses carried forward of £242,126 (2022 - £207,565) which are available for offset against future trading profits. A deferred tax asset has not been recognised in these financial statements on the basis of uncertainty over the availability of short term future taxable profits of the Company.

In the Finance Act 2021, enacted on 24 May 2021, the UK Government confirmed that the corporation tax main rate for the years commencing 1 April 2021 and 2022 would remain at 19% and from 1 April 2023 corporation tax would increase to 25%, except for companies with profits of up to £50,000 whereby the rate of corporation tax would remain at 19%, and a tapered rate applied to those companies with profits between £50,000 and £250,000.

**ATC BROKERS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
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**12. Tangible fixed assets**

	Fixtures and fittings £	Computer equipment £	Total £
<b>Cost or valuation</b>			
At 1 May 2022	224	9,098	9,322
Additions	673	4,538	5,211
At 30 April 2023	897	13,636	14,533
<b>Depreciation</b>			
At 1 May 2022	224	7,304	7,528
Charge for the year on owned assets	-	2,002	2,002
At 30 April 2023	224	9,306	9,530
<b>Net book value</b>			
At 30 April 2023	673	4,330	5,003
At 30 April 2022	-	1,794	1,794

**13. Debtors**

	2023 £	2022 £
Other debtors	50,946	66,071
Prepayments and accrued income	58,137	68,305
Corporation tax recoverable	-	853
	109,083	135,229

Included within Other debtors within one year is a loan to two directors totalling to £1,062 (2022 - £1,536). Amounts repaid during the year totalled £474.

All amounts due from the directors are unsecured, interest free and repayable on demand.



**ATC BROKERS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
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**14. Cash and cash equivalents**

	2023 £	2022 £
Cash at bank and in hand	10,337,514	5,520,603
	<u>10,337,514</u>	<u>5,520,603</u>

Included within Cash at bank and in hand are retail client monies held of £8,548,884 (2022 - £3,938,496). The retail Client monies liability of £8,706,368 is in Creditors (note 15) with the deficit of £252,220 identified in the client money reconciliation.

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

	2023 £	2022 £
Trade creditors	10,622	1,770
Client monies	8,706,368	3,916,434
Other taxation and social security	11,515	5,526
Other creditors	62,632	42,703
Accruals and deferred income	49,609	32,706
	<u>8,840,746</u>	<u>3,999,139</u>

Included within Creditors is a liability to the firm's clients regarding client money held for the purpose of trading as per the principal activity. This amounts to £8,706,368 (2022 - £3,916,434) with the corresponding amount forming part of the Cash at bank balance.

**16. Financial instruments**

	2023 £	2022 £
<b>Financial assets</b>		
Financial assets measured at fair value through profit or loss	10,337,514	5,520,603
Financial assets that are debt instruments measured at amortised cost	109,083	135,229
	<u>10,446,597</u>	<u>5,655,832</u>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	<u>(8,840,746)</u>	<u>(3,999,139)</u>

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## ATC BROKERS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2023

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#### 17. Financial risk management

The directors constantly monitor the financial risks to which the Company is exposed, in order to detect those risks in advance and take the necessary action to mitigate them through regular review by the board.

The following section provides qualitative disclosures on the effect that these risks may have upon the Company.

##### **Credit risk**

Credit risk is the risk that the counterparty will cause a financial loss to the Company by failing to discharge its obligations to the Company.

##### **Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities.

The Company has adopted a series of policies and procedures whose purpose is to optimise the management of funds and to reduce the liquidity risk, as follows:

- maintaining an adequate level of available liquidity; and
- monitoring future liquidity on the basis of the business planning.

Management believes that the funds and credit lines currently available, in addition to those funds that will be generated from future operating and funding activities, will enable the Company to satisfy its requirements resulting from its investing activities and its working capital needs to fulfil its obligations to repay its debts at their natural due date.

##### **Market risk**

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

The Company does not currently have any material borrowings affected by interest rates.

Exchange rate risk is hedged through the matching principle.

##### **Capital risk management**

The Company aims to manage its overall capital so as to ensure that the Company continues to operate as a going concern.

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ATC BROKERS LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2023

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18. Share capital

	2023 £	2022 £
<b>Allotted, called up and fully paid</b>		
785,246 (2022 - 785,246) Ordinary shares of £1.00 each	<b>785,246</b>	<b>785,246</b>

All shares in issue have attached to them full voting dividend and capital distribution (including on winding up) rights, and transfer notice and pre-emption rights on transfer of shares. They do not confer any rights of redemption.

19. Pension commitments

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 pensions cost charge represents contributions payable by the Company to the fund and amounted to £4,101 (2022 - £3,094). The amount payable to the fund at the balance sheet date was £1,305 (2022 - £1,231).

20. Commitments under operating leases

At 30 April 2023 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2023 £	2022 £
Not later than 1 year	<b>62,315</b>	<b>80,977</b>
Later than 1 year and not later than 5 years	-	6,600
	<b>62,315</b>	<b>87,577</b>

21. Related party transactions

During the year a related party company, by virtue of common directorship and ownership, provided services to ATC Brokers Limited totaling £1,161,227 (2022 - £1,030,909). An amount of £Nil (2022 - £Nil) was outstanding as at the year end date.

22. Controlling party

The Company was under the joint control of Mr D Manoukian and Mr J Manoukian by virtue of their shareholdings.