

---

**UK CLEARING HOUSE LIMITED**

---

**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2022**

THURSDAY



\*AB87S18R\*

A06

14/07/2022

#394

COMPANIES HOUSE

---

**UK CLEARING HOUSE LIMITED**

---

**COMPANY INFORMATION**

---

<b>Director</b>	Kenichi Kashiwada
<b>Registered number</b>	08302764
<b>Registered office</b>	45 Pall Mall London United Kingdom SW1Y 5JG
<b>Trading Address</b>	Office 156 Churchill Court 3 Manor Royal Crawley United Kingdom RH10 9LU
<b>Independent auditors</b>	Hillier Hopkins LLP Chartered Accountants & Statutory Auditor 45 Pall Mall London SW1Y 5JG

---

---

**UK CLEARING HOUSE LIMITED**

---

**CONTENTS**

---

	Page
<b>Strategic report</b>	1 - 2
<b>Director's report</b>	3 - 4
<b>Independent auditors' report</b>	5 - 8
<b>Statement of comprehensive income</b>	9
<b>Statement of financial position</b>	10
<b>Statement of changes in equity</b>	11
<b>Statement of cash flows</b>	12
<b>Analysis of net debt</b>	13
<b>Notes to the financial statements</b>	14 - 21

---

---

## UK CLEARING HOUSE LIMITED

---

### STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2022

---

#### Introduction

As at the year end the immediate Parent Company was World Mark Consultant (HK) Limited and the Ultimate Controlling Party was Mr. Kenichi Kashiwada. However, as a post financial year event, the change in control application was approved by the FCA and as of the 31st day of May 2022, the sole immediate parent company is Easy Collect and International Payment Services Inc ("ECIPS"). and the Ultimate Controlling Party is Mr. Nobutaka Baba. Mr. Kenichi Kashiwada remains as the company's director.

#### Business review

UKCHL has been specialising in B2B business since FY2016/17 and has aimed to acquire sales by providing MT4/MT5 platform services for professional corporate clients. There was a large shift from ordinary FX to crypto CFDs since FY2016/17 which resulted in difficult operations. In FY2020/21, we welcomed a new minority shareholder and entered into a strategic alliance agreement which sets out a renewed medium term business plan. Following the FCA approval, the minority shareholder ECIPS has become the sole shareholder. UKCHL's business plan remains the same.

#### Principal risks and uncertainties

The key risks which the Company faces in its day to day operations can be broadly categorised as market, foreign exchange, credit, operational, liquidity and reputational risk:

##### Market risk:

Market risk is the Company's vulnerability to movements in foreign exchange rates where it acts as a counterparty to clients' transactions and, therefore, it is exposed to the risk on each trade that the market price of the position will decline. This risk is mitigated in the Company as all trades are 100% hedged by entering the equal and opposite position with market counterparties.

##### Foreign exchange risk:

Foreign exchange risk arises from fluctuations in foreign exchange rates that will impact the value of the Company's assets denominated in foreign currencies, as well as earnings due to the translation of the Balance Sheet and Statement of Comprehensive Income from local currencies to GBP.

##### Operational risk:

Operational risk is the risk of loss resulting from inadequate or failed internal processes, systems or external events. Internal processes and controls have been implemented in order to reduce this risk.

##### Liquidity risk:

---

Liquidity risk is the risk that the Company, in periods of corporate or market volatility, will not have access to an appropriate level of cash or fundings to enable it to finance its ongoing operations or meet payment obligations to counterparties.

The Company managed its cash and borrowing requirements in order to maximise interest income and minimise interest expense, whilst ensuring that the Company has sufficient liquid resources to meet the operating needs of the business.

Although UK Clearing House Limited does not provide services to retail consumer clients, small amounts of retail client money remain held and accounted for in accordance with the FCA client money rules and is also held entirely on demand.

---

## UK CLEARING HOUSE LIMITED

---

### STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

---

#### Reputational risk:

Reputational risk is the risk that the Company's ability to do business might be damaged as a result of its reputation being tarnished. Internal processes and controls have been implemented in order to reduce this risk.

#### Financial key performance indicators

In FY2021/22, admin cost were at the same level from the preceding year, however income and cost of sales had decreased significantly. As such the company continued to make a loss. At the time of the audit, asset and liability simplifications were implemented with a view to future policies, and the reduction of total assets continued. During the year, the number of customers was the same as the end of the previous year and there were no new acquisitions.

#### Covid-19 Impact

UKCHL has been experiencing slow responses from business parties that resulted in slow implementation of business plans. There maybe some financial impacts as a result of Covid-19.

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

The Director of the Company, as those of all UK companies, must act in accordance with a set of general duties. These duties are detailed in section 172 of the UK Companies Act 2006 and include a duty to promote the success of the Company.

#### Our People

The company is committed to being a responsible business. Our behaviour is aligned with the expectations of our people, clients, shareholders, communities and society as a whole. We must maintain common values that inform and guide our behaviour so we achieve our goals in the right way.

#### Business relationships

We aim to develop and maintain strong client relationships. We value all our clients and endeavour to act with integrity at all times. In line with our business culture we value our suppliers and endeavour to act with integrity at all times.

#### Community and environment

The Company's approach is to use our position to create positive change for the people and communities with which we interact.

---

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



Kenichi Kashiwada  
Director

Date: 05 JUL 2022

---

## UK CLEARING HOUSE LIMITED

---

### DIRECTOR'S REPORT FOR THE YEAR ENDED 31 MARCH 2022

---

The director presents his report and the financial statements for the year ended 31 March 2022.

#### **Director's responsibilities statement**

The director is responsible for preparing the Strategic report, the Director's report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is 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 director is 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 director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is 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.

The director is responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements and other information included in Director's reports may differ from legislation in other jurisdictions.

#### **Results and dividends**

The loss for the year, after taxation, amounted to £71,159 (2021 - loss £66,053).

The Director does not recommend the payment of a dividend (2021: £Nil).

---

#### **Director**

The director who served during the year was:

Kenichi Kashiwada

---

## UK CLEARING HOUSE LIMITED

---

### DIRECTOR'S REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

---

#### Engagement with suppliers, customers and others

The company is committed to being a responsible business. Our behaviour is aligned with the expectations of our people, clients, shareholders, communities and society as a whole.

We value all our clients and endeavour to act with integrity at all times. In line with our business culture we value our suppliers and endeavour to act with integrity at all times.

The Company's approach is to use our position to create positive change for the people and communities with which we interact.

#### Disclosure of information to auditors

The director at the time when this Director's report is approved has confirmed that:

- so far as is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- 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.

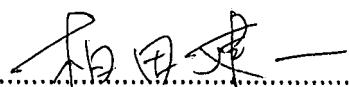
#### Post balance sheet events

The director has confirmed that there have been no post balance sheet events.

#### Auditors

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

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



.....  
**Kenichi Kashiwada**  
Director

Date: 05 JUL 2022

---

## UK CLEARING HOUSE LIMITED

---

### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF UK CLEARING HOUSE LIMITED

---

#### Opinion

We have audited the financial statements of UK Clearing House Limited (the 'Company') for the year ended 31 March 2022, which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of cash flows, the Statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2022 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 director's 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 director with respect to going concern are described in the relevant sections of this report.



---

## UK CLEARING HOUSE LIMITED

---

### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF UK CLEARING HOUSE LIMITED (CONTINUED)

---

#### Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' report thereon. The director is 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 Director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Director's 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 Director's 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 director's 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 Director's responsibilities statement set out on page 3, the director is 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 director determines 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 director is 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 director either intends to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

---

## UK CLEARING HOUSE LIMITED

---

### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF UK CLEARING HOUSE LIMITED (CONTINUED)

---

#### 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:

- the nature of the industry and sector, control environment and business performance including the remuneration incentives and pressures of key management;
- the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management. We consider the results of our enquiries of management about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the Company's documentation of their policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations, including FCA compliance and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
  - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override, including testing journals and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

We also obtained an understanding of the legal and regulatory frameworks that the Company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. We focused on laws and regulations that could give rise to a material misstatement in the financial statements, including, but not limited to, the Companies Act 2006, Financial Conduct Authority regulations and relevant tax legislation.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance.

The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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.

---

**UK CLEARING HOUSE LIMITED**

---

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF UK CLEARING HOUSE LIMITED  
(CONTINUED)**

---

**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.

*Hillier Hopkins LLP*

Simon Speller FCA (Senior statutory auditor)

for and on behalf of  
**Hillier Hopkins LLP**

Chartered Accountants  
Statutory Auditor

45 Pall Mall  
London  
SW1Y 5JG

Date:

*6 July 2022*

---

UK CLEARING HOUSE LIMITED

---

STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2022

---

	Note	2022 £	2021 £
Turnover	3	756	49,970
Cost of sales		(7,598)	(50,858)
<b>Gross loss</b>		<b>(6,842)</b>	<b>(888)</b>
Administrative expenses		(64,317)	(65,165)
<b>Operating loss</b>	4	<b>(71,159)</b>	<b>(66,053)</b>
<b>Loss for the financial year</b>		<b>(71,159)</b>	<b>(66,053)</b>

There were no recognised gains and losses for 2022 or 2021 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2022 (2021:£NIL).

The notes on pages 14 to 21 form part of these financial statements.

**UK CLEARING HOUSE LIMITED**  
**REGISTERED NUMBER: 08302764**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2022**

	Note	2022 £	2021 £
<b>Current assets</b>			
Debtors: amounts falling due within one year	9	6,450	1,452
Cash at bank and in hand	10	227,043	472,800
		<u>233,493</u>	<u>474,252</u>
Creditors: amounts falling due within one year	11	(18,422)	(188,022)
<b>Net current assets</b>		<u>215,071</u>	<u>286,230</u>
<b>Total assets less current liabilities</b>		<u>215,071</u>	<u>286,230</u>
<b>Net assets</b>		<u>215,071</u>	<u>286,230</u>
<b>Capital and reserves</b>			
Called up share capital	13	6,813,848	6,813,848
Profit and loss account	14	(6,598,777)	(6,527,618)
		<u>215,071</u>	<u>286,230</u>

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



**Kenichi Kashiwada**  
Director

Date: 05 JUL 2022

The notes on pages 14 to 21 form part of these financial statements.

---

UK CLEARING HOUSE LIMITED

---

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

---

	Called up share capital £	Profit and loss account £	Total equity £
At 1 April 2020	6,141,127	(6,461,565)	(320,438)
<b>Comprehensive income for the year</b>			
Loss for the year	-	(66,053)	(66,053)
Shares issued during the year	672,721	-	672,721
<b>At 1 April 2021</b>	<b>6,813,848</b>	<b>(6,527,618)</b>	<b>286,230</b>
Loss for the year	-	(71,159)	(71,159)
<b>At 31 March 2022</b>	<b>6,813,848</b>	<b>(6,598,777)</b>	<b>215,071</b>

The notes on pages 14 to 21 form part of these financial statements.

---

UK CLEARING HOUSE LIMITED

---

STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 MARCH 2022

---

	2022 £	2021 £
<b>Cash flows from operating activities</b>		
Loss for the financial year	(71,159)	(66,053)
<b>Adjustments for:</b>		
(Increase)/decrease in debtors	(4,998)	17,811
Decrease in amounts owed by groups	-	162,477
(Decrease) in creditors	(169,600)	(680,038)
<b>Net cash generated from operating activities</b>	<b>(245,757)</b>	<b>(565,803)</b>
<b>Cash flows from financing activities</b>		
Issue of ordinary shares	-	672,721
<b>Net cash used in financing activities</b>	<b>-</b>	<b>672,721</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(245,757)</b>	<b>106,918</b>
Cash and cash equivalents at beginning of year	472,800	365,882
<b>Cash and cash equivalents at the end of year</b>	<b>227,043</b>	<b>472,800</b>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	227,043	472,800
	<b>227,043</b>	<b>472,800</b>

The notes on pages 14 to 21 form part of these financial statements.

---

UK CLEARING HOUSE LIMITED

---

ANALYSIS OF NET DEBT  
FOR THE YEAR ENDED 31 MARCH 2022

---

	At 1 April 2021 £	Cash flows £	At 31 March 2022 £
Cash at bank and in hand	472,800	(245,757)	227,043
	<u>472,800</u>	<u>(245,757)</u>	<u>227,043</u>

The notes on pages 14 to 21 form part of these financial statements.



---

## UK CLEARING HOUSE LIMITED

---

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

---

#### 1. General information

UK Clearing House Limited is a company limited by share capital and incorporated England and Wales.

The company's registered office is as stated on the company information page. Its principal place of business is as stated on the company information page.

The principal activity of the company is that of spreadbetting and forex broking.

#### 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.

The following principal accounting policies have been applied:

##### 2.2 Going concern

The financial statements have been prepared on the going concern basis which assumes that the company will continue in operational existence for a period of at least 12 months from following the approval of the financial statements.

On 28 January 2021, 672,721 ordinary share capital with a nominal value per share of £1 was issued at par. These funds will allow the company to continue its current operations for the foreseeable future.

The director is of the opinion that the company can meet the majority of its liabilities as they fall due.

There can be no certainty in relation to these matters. However, the director considers it appropriate to prepare the financial statements on the going concern basis.

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

---

**2. Accounting policies (continued)**

**2.3 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.

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

**2.4 Revenue**

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.

Revenue represents the difference between the total value of profitable trades and the total value of loss making trades including closed trades, open market positions, net brokerage costs and net hedging gains or losses as at the balance sheet date.

**2.5 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.

**2.6 Interest income**

Interest income is recognised in profit or loss using the effective interest method.

**2.7 Debtors**

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

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

---

**2. Accounting policies (continued)**

**2.8 Cash and cash equivalents**

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

In the Statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

**2.9 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.

**2.10 Financial instruments**

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

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

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

**2.11 Client bank accounts**

The company operates designated client bank accounts in accordance with the Client Money regulations of the Financial Conduct Authority (FCA). These accounts do not represent funds of the company and so the deposits are not recognised in the company's statement of financial position.

**3. Turnover**

All turnover arose within the United Kingdom.

---

UK CLEARING HOUSE LIMITED

---

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

---

**4. Operating loss**

The operating loss is stated after charging:

	2022 £	2021 £
Other operating lease rentals	<u>6,921</u>	<u>998</u>

**5. Auditors' remuneration**

	2022 £	2021 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	<u>14,000</u>	<u>17,050</u>

**Fees payable to the Company's auditor and its associates in respect of:**

All other services	<u>1,250</u>	<u>1,250</u>
	<u>1,250</u>	<u>1,250</u>

**6. Employees**

The Company has no employees other than the directors, who did not receive any remuneration (2021 - £NIL).

**7. Taxation**

Due to losses in the current and prior period, no taxation charge is due.

---

UK CLEARING HOUSE LIMITED

---

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

---

7. Taxation (continued)

**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2021 - *higher than*) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	2022 £	2021 £
Loss on ordinary activities before tax	(71,159)	(66,053)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	(13,520)	(12,550)
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	(3,270)	(3,270)
Unrelieved tax losses carried forward	16,790	15,820
<b>Total tax charge for the year</b>	-	-

**Factors that may affect future tax charges**

The company has £6,130,432 (2021: £6,076,483) of unrelieved tax losses carried forward to be utilised against future trading profits and £51,829 (2021: £51,829) of unrelieved capital losses carried forward to be utilised against future capital profits.

The associated deferred tax asset is not recognised in these financial statements as there is not considered to be sufficient certainty over the future probability to utilise these losses.

---

UK CLEARING HOUSE LIMITED

---

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

---

8. Tangible fixed assets

	Computer equipment £
<b>Cost or valuation</b>	
At 1 April 2021	4,251
At 31 March 2022	4,251
<b>Depreciation</b>	
At 1 April 2021	4,251
At 31 March 2022	4,251
<b>Net book value</b>	
At 31 March 2022	-
At 31 March 2021	-

9. Debtors

	2022 £	2021 £
Other debtors	5,171	400
Prepayments and accrued income	1,279	1,052
	6,450	1,452

10. Cash and cash equivalents

	2022 £	2021 £
Cash at bank and in hand	227,043	472,800

---

UK CLEARING HOUSE LIMITED

---

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

---

11. Creditors: Amounts falling due within one year

	2022 £	2021 £
Trade creditors	3,181	-
Other creditors	-	146,786
Accruals and deferred income	15,241	41,236
	<u>18,422</u>	<u>188,022</u>

12. Financial instruments

	2022 £	2021 £
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	-	(146,786)

Other financial liabilities measured at fair value through profit or loss comprise of contracts for difference client creditors.

13. Share capital

	2022 £	2021 £
<b>Allotted, called up and fully paid</b>		
6,813,848 (2021 - 6,813,848) Ordinary shares of £1.00 each	<u>6,813,848</u>	<u>6,813,848</u>

---

14. Reserves

**Profit and loss account**

The profit and loss account includes all current and prior period profits and losses including foreign exchange gains and losses.

---

**UK CLEARING HOUSE LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022**

---

**15. Related party transactions**

During the year, the company paid management fees of £7,598 (2021: £50,858) to World Mark Consultant (HK) Limited, the immediate parent company.

At the year end, there was a debtor balance of £nil (2021: £nil) owed by World Mark Solutions Limited, a company under common control.

During the year £nil (2021: £nil) of intercompany balances owed to the company by companies under common control were forgiven and expensed in the statement of comprehensive income.

**16. Client bank accounts**

The company operates 2 client money bank accounts. At the reporting date the total balance of these accounts was £nil (2021 - £130). These accounts do not represent funds of the company and so the deposits are not recognised in the company's statement of financial position.

**17. Controlling party**

The immediate parent undertaking is Easy Collect & International Payment Service Co Ltd, a company incorporated in Hong Kong. The ultimate controlling party is Mr. Nobutaka Baba.



## Appendix 1

### Pillar III

#### Disclosure for UK CLEARING HOUSE Limited Unaudited

This is the latest disclosure report as at the 31<sup>st</sup> day of May 2022 for reflecting the recent change in control. This report is based on the audited financial figures for FY2021/22 (accounting year from the 1<sup>st</sup> day of April 2021 and ending at the 31<sup>st</sup> day of March 2022).

#### Introduction

##### 1.1 Regulatory Requirements for the MIFIDPRU 8 Disclosure

The FCA Handbook MIFIDPRU 8 Disclosure requires MIFID Investment Firms to disclose certain levels of information publicly. Subject to the company's status, MIFIDPRU 8.2 (Risk management objectives and policies), MIFIDPRU 8.4 (Own funds), MIFIDPRU 8.5 (Own funds requirements), MIFIDPRU 8.6 (Remuneration policies and practices), and MIFIDPRU 8.7 (Investment policy) need to be disclosed.

The framework consists of three main pillars as follows; Pillar-I sets out minimum capital requirements firms are required to meet for credit, market and operational risk. Pillar-II requires firms and their regulatory supervisors to consider whether a firm should hold additional capital against risk not covered in Pillar-I. In the UK, this is implemented through the Internal capital adequacy and risk assessment (ICARA) process undertaken by the firm and through the subsequent Supervisory Review and Evaluation Process (SREP) undertaken by the FCA. Pillar-III requires firms to publicly disclose certain details of their risks, capital, and risk management arrangements.

The objective of this particular disclosure is for UK CLEARING HOUSE LIMITED to meet its MIFIDPRU 8 Disclosure.

##### 1.2 Basis of Disclosures

The disclosure included herein relate to UK CLEARING HOUSE LIMITED ("the Firm"), which is a MIFIDPRU 150K limited license firm (FRN 595713), UK CLEARING HOUSE LIMITED was wholly owned by World Mark Consultant (HK) Limited, registered in Hong Kong as of the end of the fiscal year 2021/2022 (31<sup>st</sup> March 2022).

Following the approval of the change in control application given by the FCA in May 2022, the new shareholder Easy Collect and International Payment Services Inc. ("ECIPS"), registered in Japan, has become the sole shareholder of the company.

The disclosures included herein describe the Firm's overall risk management arrangements and its approach to assessing its capital and liquidity adequacy.

### 1.3 Materiality

CRR Article 432(1) provides that a firm may omit one or more of the required disclosures if the information provided by such disclosures is not regarded as material. Per Article 432(1), the criterion for materiality is that a firm must regard information as material in disclosures if its omission or misstatement could change or influence the assessment or decision of a user relying on that information for the purpose of making economic decisions.

### 1.4 Proprietary or Confidential Information

CRR Article 432(2) provides that a firm may omit one or more items of information included in the required disclosures if those items include information which is regarded as proprietary or confidential. Per Article 432(2), the criterion for proprietary information is that a firm must regard information as proprietary information if sharing that information with the public would undermine its competitive position, where such proprietary information may include information on products or systems which, if shared with competitors, would render a firm's investments therein less valuable. Per Article 432(2), the criterion for confidential information is that a firm must regard information as confidential if there are obligations to customers or other counterparty relationships binding the firm to confidentiality.

### 1.5 Frequency of Disclosures

These disclosures will be published at least once a year and as soon as practicable following material updates to the Firm's internal capital risk assessments. The annual disclosure will be published on the companies house website as a part of its audited annual accounts. Given its size and complexity, the Firm assesses that this annual publication meets its disclosure requirements.

### 1.6 Means of Disclosures

These disclosures have been prepared solely for the purpose of fulfilling the Firm's MIFIDPRU 8 requirements and are not used by management for any other purpose. They have not been audited nor do they constitute any form of audited financial statement. The Firm's Board of Directors are ultimately responsible for the Firm's systems and controls and for reviewing the effectiveness of those arrangements. However, such arrangements are designed to mitigate risk

and therefore can provide reasonable, but not absolute, assurance against material losses or financial misstatements. These disclosures have been reviewed and approved by the Firm's Board of Directors. These disclosures will be published either through the firm's annual accounts or public website where applicable.

### 1.7 Important Disclosure

The company welcomed a new minority shareholder in January 2021 and entered into a strategic alliance agreement to resolve the qualified opinion which was raised in the audited annual account for the fiscal year 2018/2019. The company resolved the issues immediately after the capital injection completed in January 2021. The company moved its business place in April 2021 as a part of the business plan. Subsequently the new shareholder submitted change in control application to the UK FCA in early October 2021. Following the approval of the change in control application given by the FCA in May 2022, the new shareholder Easy Collect and International Payment Services Inc. ("ECIPS"), registered in Japan, has become the sole shareholder of the company.

## 2. Risk Management

The Firm's risk management objectives and policies are supported by its corporate governance arrangements, its risk management framework.

### 2.1 Corporate Governance

#### The Board of Directors

The Firm's Board of Directors are expected to be aware of the major aspects of the Firm's risks, especially those risks for which it may need to set aside capital. To that end, the Board periodically review the effectiveness of their systems and controls, including the Risk Management Framework, which establishes the principles of how risk is to be identified, assessed, monitored and controlled/mitigated. The Board have delegated the day-to-day risk management to the Firm's MLRO and Compliance Officer with the exception of certain reserved matters for the Board which include but are not limited to 1) Establishing the Firm's overall strategy, 2) Setting the Firm's risk appetite, and 3) Assessing and approving the Firm's capital and liquidity adequacy. Given the limited size, scale and complexity of the Firm, the Board have not established a separate risk committee, but instead deal with these matters directly. The Board provide oversight on 1) Identifying risks relating to all of the activities, systems and processes of the Firm, 2) Setting the level of risk tolerated by the Firm, 3) Managing the risks identified (within any risk tolerance), 4) Monitoring the effectiveness of risk management policies and procedures, including compliance with such policies and remedial actions. The Board is also responsible for the review and approval of new products and segregated accounts (or material changes to such existing products) offered by UK CLEARING HOUSE LIMITED. In view of the global nature of our business and how quickly crisis events can unfold, the Board acts as a Crisis Management Body and the Firm maintains its own business continuity and disaster recovery plans. The Board is responsible for establishing, implementing and maintaining remuneration policies, procedures and practices that are consistent with and promote sound and effective risk

management and for ensuring the Firm's compliance with the UK FCA's Remuneration Code. The Board is also responsible for evaluating potential conflicts of interest, maintaining appropriate records and conflict management including providing ongoing oversight of the Firm's processes for identifying, assessing, mitigating and monitoring potential conflicts of interest throughout the Firm.

## 2.2 Risk Management Framework

The first primary lines of defense are the Board responsible for the Firm's business who are primarily responsible for identifying and managing risks in their area and for developing and communication policies, guidance, and procedures necessary to manage those risks. The second line is comprised of the Compliance function and finance function responsible for certain financial systems and controls. The Compliance function is responsible for development, implementation and embedding of processes whereby management identifies assesses, monitors, controls and mitigates the risks in their areas and for monitoring adherence to regulatory standards and for reporting its findings to relevant senior management and to the Board. It is also responsible for the provision of technical regulatory/compliance advice and support. The third layer of defenses are comprised of the audit committee and the external audit which undertakes Audit and Oversight to provide independent assurance of the suitability and effectiveness of the Firm's risk management framework, including management's execution of its responsibilities to ensure an effective system of internal controls, risk management, and compliance is embedded throughout the Firm.

## 2.3 Risk Appetite

The Firm's policy on appetite first considers the risks inherent in each of its strategies and objectives and then evaluates the most effective way to provide for these risks. For the key risks which cannot be perfectly controlled, the residual risks are quantified and a determination is made whether to provide for each risk with financial planning buffers or with capital (or a combination of both). Generally, expected losses are provided for with financial planning and P&L buffers and unexpected or extreme losses are provided for with capital. These quantifications of risk appetite are the basis on which the Firm's individual capital adequacy assessment (ICARA) is developed.

---

## 2.4 Risk Management by Category of Risks

Risk is inherent in the nature of the Firm's business and activities. The key categories of risks to which the Firm is exposed are;

Credit and Counterparty risk

Credit or counterparty risk addresses the firm's exposure to risk through its interactions with third parties in the course of its business. Whilst the firm itself may have limited exposure to counterparty risk, the fund(s) may have greater exposure. Given that the most or all of the firm's revenue originates in the fund, exposure of the fund to counterparty risk could impact the firm through loss of capital, reduction in revenue, loss of clients and reputational damage.

#### Market risk (excluding Foreign exchange risk)

Market risk addresses the firm's exposure to risk through its interactions with the wider economic environment. Whilst the firm itself may have limited exposure to market risk, the fund(s) may have greater exposure. Given that the most or all of the firm's revenue originates in the fund, exposure of the fund to market risk could impact the firm through loss of capital, reduction in revenue, loss of clients and reputational damage.

#### Liquidity risk

This addresses the risk that whilst the firm may be a solvent going concern, it cannot liberate sufficient financial resources for it to meet its liabilities and obligations in a timely fashion or can only secure such resources at excessive cost.

#### Operational risk

Operational risk addresses the firm's exposures resulting from inadequate or failed internal processes, people and systems; it includes legal & tax and financial crime risks, but does not include strategic and business risks or credit or counterparty risks.

#### Concentration Risk

Concentration risk is the risk that results from a lack of diversification in business type, business channels, or investor base.

#### Business Risk

Business risk addresses the firm's exposures resulting from inadequate or failed management processes or decisions.

---

#### Interest risk arising from non-trading book activities

Interest-rate risk is the risk arising from potential changes in interest rates that affect a firm's non-trading activities.

#### Risk of excessive leverage

Risk of excessive leverage is the risk of excessive leverage in a precautionary manner by taking due account of potential increases in that risk caused by reductions of the firm's own funds through expected or realised losses, depending on the applicable accounting rules.

#### Pension Risk

Pension obligation risk is defined as the risk of loss to a firm caused by its contractual or other liabilities to or with respect to a pension scheme.

#### Group Risk

Group risk is the risk that its group may have to bring back on to its consolidated balance sheet the assets and liabilities of off-balance sheet entities as a result of reputational contagion, notwithstanding the appearance of legal risk transfer.

#### Other Sub-risks

#### Settlement Risk

Settlement risk is the risk that a counterparty does not deliver a security or its value in cash per agreement when the security was traded after the other counterparty or counterparties have already delivered security or cash value per the trade agreement.

#### Foreign Exchange Risk

Foreign exchange risk arises out potential gain or loss occurring as a result of an exchange rate change. Whilst the firm itself may have limited exposure to Foreign exchange risk, the fund(s) may have greater exposure which could affect performance and hence income.

#### Reputation Risk

Reputational risk is defined as the risk of damage to the firm's reputation that could lead to negative publicity, costly litigation, a decline in the customer base or the exit of key employees and therefore directly or indirectly to a loss of revenue.

#### Strategic Risk

---

Strategic risk is the current and prospective impact on earnings or capital arising from adverse business decisions, improper implementation of decisions, or lack of responsiveness to industry changes. This risk is a function of the compatibility of a firm's strategic goals, the business strategies developed to achieve those goals, the resources deployed against these goals, and the quality of implementation.

## Transfer Risk

In international trade, the transfer risk is the risk that a transaction cannot take place because a government or central bank will not allow currency to leave a country. For example, a government may theoretically declare that its currency is inconvertible, disallowing a transaction. Alternatively, a government may restructure its national debt service in such a way that it affects transfers of currency out of the country.

## Key Person Risk

This is the risk inherent in the possible over-reliance on one or a few individuals whose knowledge, creativity, inspiration, reputation, and skills are critical to the viability or growth of an organisation, and whose loss may severely compromise its performance.

## Remuneration Risk

A firm must consider its Remuneration Policy and determine any risk that may arise in relation to the Firm's capital resources. This risk would arise in particular where the firm guarantees variable remuneration to employees.

### **3. Internal Capital Adequacy and Risk Assessment Process and Capital Resources**

The Firm undertakes its Internal Capital Adequacy and Risk Assessment Process (ICARA) annually, or as material changes occur, fulfilment of its Pillar 2 and MIFIDPRU 7 requirements. The Firm's most recent (former) ICAAP document was prepared as of the end of March 2021.

#### **3.1 Internal Capital Adequacy and Risk Assessment Process (ICARA)**

The ICARA is the process under which the management oversees and regularly assesses, 1) the Firm's processes, strategies and systems, 2) the material risks to the Firm's ability to meet its liabilities as they fall due, 3) the results of internal stress testing of these risks, and 4) the amounts and types of financial and capital resources and whether they are adequate to cover the nature and level of the risks to which the Firm is exposed.

The ICARA document describes the framework under which the Board carry out their assessment of the adequacy of the Firm's capital and liquidity resources. In particular the document sets out, 1) the Firm's internal organisation and governance structure, 2) the risk management framework, 3) the Firm's risk appetite, 4) the key risk areas relevant to the Firm's capital and liquidity, 5) financial, capital and liquidity projections, 6) the adequacy of capital and liquidity resources in relation to the overall risk profile and certain stress and scenario events, including reverse stress tests, 7) an orderly wind-down scenario, and 8) the way in which the

ICARA is used in the business, including the process of challenge and adoption.

The ICARA is undertaken on a proportionate basis, taking into account the Firm's size, and the nature and complexity of its activities.

### 3.2 Approach to MIFIDPRU Capital Requirements

The Firm's total capital resources requirements with respect to Pillar 1 are the highest of (1) its permanent minimum capital requirement, (2) its fixed overheads requirement, or (3) its K-factor requirements.

### 3.3 Own Funds Requirements and Resources

#### Own Funds Resources

The firm has a simple capital structure and does not use any exotic capital instruments, with all capital held as Tier 1 capital. As of 31<sup>st</sup> March 2022, the Firm held total net core Tier 1 capital of £210,814.83, which exceeds both its permanent minimum capital requirements and its fixed overheads requirement. Its K-factor was zero due to the company's transitional period. Having considered the forecasted financial position of the Firm and the nature of the risks that the Firm currently faces or is likely to face going forward, the Board have concluded that there is currently, and is expected to be, adequate capital and liquidity given the size, nature and complexity of the Firm and anticipated contingent financial support from the new shareholder, if necessary.

#### Summary of Own Funds Requirements

The Firm's approach to calculating its Own Funds Resource Requirement determines the respective Pillar 1 amounts for each of its activities and then aggregates them across by category to calculate the amount for each category. For Pillar 1, the Firm's minimum capital resources requirement is equal to its permanent minimum capital requirement of £150,000. This amount is greater than its fixed overhead requirement of £25,171.

Own Funds Requirements of UK CLEARING HOUSE LIMITED UK LIMITED as of the 31<sup>st</sup> March 2022 was the highest of:

- 1) its permanent minimum capital requirement: £150,000
- 2) its fixed overhead requirements: £25,171
- 3) its K-factor requirements: Nil



## Summary of Liquid Assets Requirements

The Firm has prepared an (former) ICAAP which quantifies each of its key risks in order to understand its Pillar 2 capital requirements on a going concern basis. An orderly wind-down analysis has also been prepared which considers the net cash-flows associated with discontinuing the Firm's regulated activities. These results have been compared to the firm's Pillar 1 requirements in order to determine the overall capital requirement, but are considered proprietary and therefore not disclosed herein.

## 4. Remuneration

In accordance with the Capital Requirements Regulation remuneration disclosure requirements, as further elaborated in the FCA's General Guidance on Proportionality, The Remuneration Code (SYSC 19A) & Pillar 3 Disclosures on Remuneration (Article 4125 of the Capital Requirements Regulation (CRR)), as an IFPRU limited license firm, the Firm falls within proportionality level 3 and is required to provide the following disclosures regarding its remuneration policy and practices for those categories of staff whose professional activities have a material impact on its risk profile, FCA's Remuneration Code. Due to the nature, scale and complexity of its business, UK CLEARING HOUSE LIMITED has not formally appointed a Remuneration Committee. However, all decisions concerning remuneration are taken by the Board.

### CRR Article 4125(b) - Information on link between pay and performance

The Firm uses fixed compensation where the fixed component is considered to be a sufficient proportion of the overall remuneration package as to allow the firm to operate a fully flexible bonus policy. The Firm currently sets the variable component in a manner which takes into account individual performance, performance of the individual's business unit and the overall results of the Firm. Staff performance is formally evaluated and documented at least once a year. Such evaluations also consider the staff's contributions in promoting sound and effective risk management where appropriate.

### CRR Article 4125(g) - Aggregate quantitative information on remuneration, broken down by business area for the financial year ended 31 March 2022.

~~CRR Article 4125(h) - Aggregate quantitative information on remuneration, broken down by senior management and members of staff whose actions have a material impact on the risk profile of the firm. The Firm classifies those staff whose professional activities have a material impact on its risk profile as "Code Staff". The code staff is the firm's director.~~

Total remuneration for the director who also casted the firm's business during the accounting period was NIL.