

PEPPERSTONE LIMITED

**Company Registration Number:
08965105 (England and Wales)**

Unaudited statutory accounts for the year ended 30 June 2021

Period of accounts

Start date: 1 July 2020

End date: 30 June 2021

PEPPERSTONE LIMITED

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Directors' report period ended 30 June 2021

The directors present their report with the financial statements of the company for the period ended 30 June 2021

Principal activities of the company

The Company's principal activity is to onboard retail and professional clients for the purpose of providing a platform for clients to buy and sell leveraged Contract-For-Difference ("CFD") and spread-betting products. The Company's licence does not allow it to take on any market risk and therefore all market risk is borne by the Parent. As part of this process, clients deposit monies directly with the Company.

Directors

The directors shown below have held office during the whole of the period from
1 July 2020 to 30 June 2021

Savvakis Ioannou
Tamas Szabo
Robert Bowen

The above report has been prepared in accordance with the special provisions in part 15 of the Companies Act 2006

This report was approved by the board of directors on
19 October 2021

And signed on behalf of the board by:

Name: Savvakis Ioannou
Status: Director

PEPPERSTONE LIMITED

Profit And Loss Account for the Period Ended 30 June 2021

	2021	2020
	£	£
Turnover:	7,905,462	12,745,702
Cost of sales:	(1,149,637)	(1,805,722)
Gross profit(or loss):	<u>6,755,825</u>	<u>10,939,980</u>
Administrative expenses:	(4,721,530)	(3,192,163)
Operating profit(or loss):	<u>2,034,295</u>	<u>7,747,817</u>
Profit(or loss) before tax:	<u>2,034,295</u>	<u>7,747,817</u>
Tax:	(435,547)	(1,474,787)
Profit(or loss) for the financial year:	<u>1,598,748</u>	<u>6,273,030</u>

PEPPERSTONE LIMITED

Balance sheet

As at 30 June 2021

	<i>Notes</i>	<i>2021</i>	<i>2020</i>
		£	£
Fixed assets			
Intangible assets:	3	58,629	71,791
Tangible assets:	4	167,957	390,642
Total fixed assets:		<u>226,586</u>	<u>462,433</u>
Current assets			
Debtors:	5	5,900,265	3,656,905
Cash at bank and in hand:		20,269,976	18,319,833
Total current assets:		<u>26,170,241</u>	<u>21,976,738</u>
Prepayments and accrued income:		44,260	57,085
Creditors: amounts falling due within one year:	6	(22,328,925)	(17,170,091)
Net current assets (liabilities):		<u>3,885,576</u>	<u>4,863,732</u>
Total assets less current liabilities:		<u>4,112,162</u>	<u>5,326,165</u>
Creditors: amounts falling due after more than one year:	7	(31,617)	(183,324)
Provision for liabilities:		(559,428)	(220,472)
Total net assets (liabilities):		<u>3,521,117</u>	<u>4,922,369</u>
Capital and reserves			
Called up share capital:		956,380	956,380
Profit and loss account:		2,564,737	3,965,989
Total Shareholders' funds:		<u>3,521,117</u>	<u>4,922,369</u>

The notes form part of these financial statements

PEPPERSTONE LIMITED

Balance sheet statements

For the year ending 30 June 2021 the company was entitled to exemption under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

**This report was approved by the board of directors on 19 October 2021
and signed on behalf of the board by:**

Name: Savvakis Ioannou
Status: Director

The notes form part of these financial statements

PEPPERSTONE LIMITED

Notes to the Financial Statements

for the Period Ended 30 June 2021

1. Accounting policies

Basis of measurement and preparation

These financial statements have been prepared in accordance with the provisions of Financial Reporting Standard 101

Turnover policy

The Company makes markets for customers trading in foreign exchange ("FX") spot and contract for difference markets. Trading revenue represents related brokerage activities for establishing these markets, including spread, commission and funding charges made to clients in respect of the opening, holding and closing of contracts. Transactions are recorded on the trade date and open client and hedging positions are carried at fair market value, with positions marked to market daily and resulting gains and losses arising recognised in trading revenue together with gains and losses realised on client positions that have closed. The policies and methodologies associated with the determination of fair value have been discussed above under financial instruments. Trading revenue is reported gross of introductory broker commissions and is the net of amounts collected on behalf of client trading activity. Introductory broker commissions, along with other fees associated with trading activity, are disclosed as cost of sales within the statement of profit and loss. Trading revenue is recognised when it is probable that economic benefits associated with the transaction will flow to the Company and the revenue can be reliably measured.

Tangible fixed assets depreciation policy

Each class of property, plant and equipment is carried at cost as indicated less, where applicable, any accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the asset. The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, is depreciated on a diminishing value basis over the asset's useful life to the Company commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements. The depreciation rates used for each class of depreciable assets are: Office Equipment - 40% Computer Equipment - 66.6% Leasehold Improvements - 40%. The assets' residual values, depreciation methods and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of profit and loss.

Intangible fixed assets amortisation policy

Intangible assets include purchased computer software and software licenses. The identifiable and directly associated external and internal costs of acquiring and developing software are capitalised and recognised as an intangible asset where the software is controlled by the Company, and where it is probable that future economic benefits will flow from its use over more than one year. Costs associated with maintaining software are recognised as an expense as incurred. Computer software and other intangible assets are stated at cost less amortisation and impairment losses, if any. Capitalised software costs and other intangible assets are amortised on a diminishing value basis. The amortisation rates used for each class of intangible assets are: Computer Software - 66.6% Licences - 20%. The assets' residual values, amortisation methods and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Valuation information and policy

Financial instruments arising from open client positions and the Company's hedging positions are stated at fair value and disclosed according to the valuation hierarchy required by IFRS 7. According to IFRS 13 'Fair value Measurement', fair value is a price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants in the principal or most advantageous market at measurement date. The best evidence of fair value is a quoted market price in an active market. Where no quoted market price for an instrument is available, the fair value is based on present value estimates or other valuation techniques based on current market conditions. These valuation techniques rely on market observable inputs wherever possible or rely on inputs which are reasonable assumptions based on market conditions. Under IFRS 13 all financial assets and liabilities measured or disclosed at fair value are categorised into one of the following levels: Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities; Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

Other accounting policies

See notes 2.a - 2.v in the accounts

PEPPERSTONE LIMITED

Notes to the Financial Statements for the Period Ended 30 June 2021

2. Employees

	<i>2021</i>	<i>2020</i>
Average number of employees during the period	25	18

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Notes to the Financial Statements

for the Period Ended 30 June 2021

3. Intangible assets

	Goodwill	Other	Total
Cost	£	£	£
At 1 July 2020		125,272	125,272
Additions			
Disposals			
Revaluations			
Transfers			
At 30 June 2021		125,272	125,272
Amortisation			
At 1 July 2020		53,481	53,481
Charge for year		13,162	13,162
On disposals			
Other adjustments			
At 30 June 2021		66,643	66,643
Net book value			
At 30 June 2021		58,629	58,629
At 30 June 2020		71,791	71,791

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Notes to the Financial Statements

for the Period Ended 30 June 2021

4. Tangible assets

	Land & buildings	Plant & machinery	Fixtures & fittings	Office equipment	Motor vehicles	Total
Cost	£	£	£	£	£	£
At 1 July 2020	554,306		2,444	76,810		633,560
Additions	152,677			32,952		185,629
Disposals	(195,637)					(195,637)
Revaluations						
Transfers						
At 30 June 2021	511,346		2,444	109,762		623,552
Depreciation						
At 1 July 2020	195,637		1,496	45,785		242,918
Charge for year	182,117		376	30,184		212,677
On disposals						
Other adjustments						
At 30 June 2021	377,754		1,872	75,969		455,595
Net book value						
At 30 June 2021	133,592		572	33,793		167,957
At 30 June 2020	358,669		948	31,025		390,642

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Notes to the Financial Statements for the Period Ended 30 June 2021

5. Debtors

	<i>2021</i>	<i>2020</i>
	£	£
Trade debtors	5,900,265	3,656,905
Total	<u>5,900,265</u>	<u>3,656,905</u>

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Notes to the Financial Statements

for the Period Ended 30 June 2021

6. Creditors: amounts falling due within one year note

	<i>2021</i>	<i>2020</i>
	£	£
Amounts due under finance leases and hire purchase contracts	211,796	193,493
Taxation and social security	5,525	1,185,806
Accruals and deferred income	768,644	262,222
Other creditors	21,342,960	15,528,570
Total	<u>22,328,925</u>	<u>17,170,091</u>

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Notes to the Financial Statements

for the Period Ended 30 June 2021

7. Creditors: amounts falling due after more than one year note

	<i>2021</i>	<i>2020</i>
	£	£
Amounts due under finance leases and hire purchase contracts	31,617	183,324
Total	<u>31,617</u>	<u>183,324</u>

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Notes to the Financial Statements

for the Period Ended 30 June 2021

8. Loans to directors

Name of director receiving advance or credit:

Description of the transaction:

During financial year 2020, a director received an interest free non-recourse loan, repayable over 10 years from a related Group

Balance at 30 June 2020

Advances or credits made:

Advances or credits repaid:

Balance at 30 June 2021

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.