

COMPANIES HOUSE

**TRADE CAPITAL UK (TCUK) LTD
(FORMERLY LIVEMARKETS LIMITED)**
ANNUAL REPORT AND FINANCIAL
STATEMENTS
Year ended 31 December 2021

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COMPANIES HOUSE

TRADE CAPITAL UK (TCUK) LTD (FORMERLY LIVEMARKETS LIMITED)

ANNUAL REPORT AND FINANCIAL STATEMENTS

Year ended 31 December 2021

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TRADE CAPITAL UK (TCUK) LTD (FORMERLY LIVEMARKETS LIMITED)

STRATEGIC REPORT

The Directors present their strategic report of Trade Capital UK (TCUK) Ltd (the "Company") for the year ended 31 December 2021.

Principal activities

Trade Capital UK (TCUK) Ltd is authorised and regulated by the Financial Conduct Authority ("FCA") as a UK Investment Firm license number is FRN 738538, for the conduct of investment and ancillary services and activities under the provisions of the Financial Services and Markets Act 2000, as subsequently amended or replaced from time to time ("the Law" and "The Act"), and the FCA Rules.

The Company is registered in England and Wales with Company number 9203957.

Trade Capital UK (TCUK) Ltd provides investment services for Contracts for Difference ("CFDs") and Spread bets, executing clients' orders on a matched principal basis (no portfolio management or investment advice services).

The Company is acting as a provider of regulated products and services under its registered trade name TRADE.com and websites www.trade.com and www.tradecapitaluk.com.

Review of developments, position and performance of the Company's business

The revenue of the Company for the year ended 31 December 2021 was GBPE240,009 (2019: GBPE112,213). The net loss of the Company for the year was GBPE71,861 (2020: GBPE255,545). As at 31 December 2021 the total assets of the Company were GBPE348,953 (2020: GBPE698,597) and its net assets were GBPE215,898 (2020: GBPE287,759).

The Company's Key Performance Indicators ("KPIs"), which management uses to assess and monitor the business and its performance, are comprised mainly of new accounts opened, volumes traded, and overall profitability. In 2020/21 the Company's operations were at the initial stages following the authorisation granted by FCA for Variation of Permission ("VoP") to hold clients' funds and act as a matched principal broker under an IFPRU the 125K licence; while the 2021 revenues recorded a 114% increase and the net loss was reduced by 72% compared to 2020, more accurate comparative figure and performance figures will become available in subsequent years.

The Company was incorporated on 4 September 2014 and received its FCA licence on 17 January 2017.

The Company's operations are based on its permissions to offer the following services: (a) Arranging (bringing about deals in investments), and, (b) Making arrangements with a view to transactions in investments.

Trade Capital UK currently acts as an investment firm, which provides execution-only services for financial contracts for differences ("CFDs"), spread betting instruments ("SBs"), executing clients' orders on a matched principal basis (no portfolio management or investment advisory services). It also offers market access to non-margined stocks, options, futures, futures options, spot forex, bonds, and funds, acting as an introducing broker to Interactive Brokers UK Ltd.

The financial instruments of CFDs and SBs are offered to the Firm's clients via electronic platforms through its websites cfd.trade.com and sb.trade.com, offering the ability to choose and place orders on CFD and Spread Betting instruments, after a client considers the degree of financial risk to be undertaken, the time span that the client would like such instruments to be traded, the option to buy or sell such products, and the return or loss that the client is aiming to achieve or willing to undertake.

The quoted prices offered through the CFD and Spread Betting trading platforms are supplied by Finalto Trading Ltd (regulated and authorised by the FCA, FRN 607305).

TRADE CAPITAL UK (TCUK) LTD (FORMERLY LIVEMARKETS LIMITED)

STRATEGIC REPORT

Trade Capital UK was granted FCA approval for Variation of its Permission ("VoP") at the end of September 2019 and effectively launched its operations based on its extended permission in mid-October 2019. After successfully completing a full year of operation since the FCA approval of the Variation of its Permission, the Firm was granted FCA authorisation for onboarding Appointed Representatives ("ARs") in the fourth quarter of 2020 and has carefully considered a number of potential AR candidates, however it has not entered into any such relationships to-date.

The Firm's operations, client base and revenues, continued to grow satisfactorily during 2021, focusing on affluent UK-based clients wishing to establish trading accounts. During 2021, the Firm identified a need for providing portfolio management in order to enhance the services offered to its clientele and further expand its operations. At the end of October 2021, the Firm submitted an application for Variation of its Permission with the proposed activity of asset management to be undertaken by the business upon been granted authorisation and regulation by the FCA and as such, the additional business operations will only commence when such appropriate regulated status has been granted by the FCA. The Company proceeded with the injection of an additional GBP60,000 in order to reinforce its capital base ahead of the launch of the portfolio management services upon FCA approval.

The Firm continues to closely monitor the trading activity and fund inflows of retail clients under all circumstances and especially in periods of volatile markets, caused by external factors such as the pandemic, war and political developments, to ensure that they are in line with their personal economic profile, declared income and employment conditions.

As part of its risk management policy and procedures and Internal Capital Adequacy Assessment Process (and as of 2022 implementing the ICARA process introduced under the new UK IFPR), the Firm performs sensitivity analysis taking into consideration the Optimistic, Normal and Pessimistic scenarios in order to have a thorough assessment of the possible effects of extreme volatility caused by such external factors outlined below.

Furthermore, the Firm has confirmed the ongoing commitment of its shareholder to provide financial support, if necessary, in order to enable the Firm to meet its obligations as they fall due and to meet its capital requirements in compliance with its FCA permission.

Principal risks and uncertainties:

The Company's activities as outlined above, expose it to a variety of financial, operational, regulatory, litigation, reputational and political risks. With the exception of financial risks and uncertainties which are outlined in Note 5 of the financial statements, each principal risk and how it is assessed and managed is described below.

The Company's capital requirements are calculated in line with the FCA regulations. The capital of the Company is monitored regularly in light of any potential changes within the business.

Operational risk

This is the risk that derives from the deficiencies relating to the Company's information and technology systems' controls, as well as the risk of human error and natural disasters. Segregation of authority and power regarding vital functions of the Company exists, and the directors review any decisions made and monitor the activities. The Company's activities are also closely dependent on information technology and any damage or failure of the systems would put the Company at significant risk. The Company's systems are evaluated, maintained and upgraded continually. The Company has recovery programmes and backup systems in place in order to be able to carry on its core operations.

TRADE CAPITAL UK (TCUK) LTD (FORMERLY LIVEMARKETS LIMITED)

STRATEGIC REPORT

Risks arising due to Brexit

This is the risk of financial loss or interruption of operations due to a change in the political landscape of the Company and its operating markets. The decision of the United Kingdom to withdraw from the European Union ("EU"), has not caused a material impact on the Company's operations and financial performance, as the Company's focus has been and will continue to be primarily on the UK market.

The Firm and its Directors continue to closely monitor the developments following the end of the BREXIT transition period and have taken all the necessary actions in order to continue offering the highest level of service to the Firm's clients, whilst complying with all relevant regulatory requirements and guidelines issued by the FCA and the EU regulators effective after the 31st of December, 2020.

One of the most important developments in this respect has been the divergence of the Investment Firm Regulation/Reporting Obligations developed and implemented in the EU by the EBA and the UK by the FCA. In the EU, the EBA introduced the EU Investment Firm Directive (IFD) and regulation (IFR) as of the 26th of June 2021, which impacts MiFID investment firms operations, capital and reporting obligations. On the other hand, the FCA introduced the new UK Investment Firm Prudential Regime (IFPR) which came into force six months later, on 01.01.2022. The two regimes have distinct sets of rules and reporting obligations. The Firm has ensured that all the necessary policies and procedures have been developed implemented in relation to the new UK IFPR, including the Company's regulatory reporting obligations, capital and liquidity requirements and internal capital and risk assessment (ICARA) process, in compliance with all FCA requirements and reporting obligations.

Regulatory risk

This is the risk of financial loss, including fines and other penalties, which may arise from non-compliance with laws and regulations. The Company is authorised and regulated by the FCA, and any changes in the regulatory framework or directives relating to the Company's services and products could expose the Company to considerable risk. This risk is limited to a significant extent due to the supervision applied by the Compliance function, the use of external compliance and regulatory advisers, as well as by the monitoring controls of the Company.

Litigation risk

This is the risk of financial loss or interruption of the Company's operations arising from the potential of non execution or violation of legal contracts and consequentially of lawsuits. The risk is restricted through the processes and controls used by the Company to execute its operations.

Reputation risk

This is the risk of reputation arising from the negative publicity relating to the Company's operations (whether justified or unjustified) that may result in reduction of its client base, reduction in revenue, or legal claims against the Company.

Risks arising due to COVID-19 markets lockdown

The Firm's employees continued to work remotely/or partly remotely, for first half of 2021, while the government instructions were to work from home with the exception of essential workers. The necessary arrangements for remote working, continued to work adequately, as they were established in 2020 during the lockdown, keeping intact the Firm's compliance monitoring program, AML monitoring procedures, recording of telephone conversations with clients, uninterrupted customer support services and maintenance of IT systems, servers' back-ups, continuous communication with the regulators/authorities and meeting deadlines of regulatory reporting obligations, etc.

The Firm continued to implement all necessary steps for the continuing smooth functioning of its operations and uninterrupted high level of service to its clients. Consequently, the Firm did not experience any material impact on its business model, its financials and its ability of treating its customers fairly, as a result of the Coronavirus outbreak and the Government 'stay-at-home' advice. In the second half of 2021, the Firm's employees returned to the office, as the "stay-at-home" advice and restrictions were lifted.

TRADE CAPITAL UK (TCUK) LTD (FORMERLY LIVEMARKETS LIMITED)

STRATEGIC REPORT

The Firm did not experience any negative results, and liquidity restraints and incur impairments on its assets in 2021, as a result of the COVID-19 pandemic. The second half of 2021 saw a level of confidence in the world economy that we have not seen since the beginning of the Covid-19 pandemic. However the pandemic remains an unpredictable variable, as does the effect of the Russian Federation's invasion of Ukraine analysed below.

Risks arising due to Ukraine-Russian War

The conflict between Russia and Ukraine has been causing knock-on effects around the globe. The conflict has also fueled a series of economic sanctions imposed on Russia. All these developments have caused extreme market volatility and raise a number of potential issues facing financial institutions:

(1) Market conduct concerns arising from heightened market volatility and turmoil in global financial markets: the supply, distribution and cost of oil, as well as other commodities such as grain, has been greatly impacted, causing the weakening of Russia's and Ukraine's financial markets but also posing greater global economic effects. The Firm has been closely monitoring all developments impacting clients' trading and has taken all necessary actions to ensure that its platforms remain fully operational and offering appropriate trading conditions in the best interest of its clients.

(2) Economic Sanctions and financial crime compliance: It is noted that the Firm does not have any clients being affected by the imposed economic sanctions and therefore has not been impacted in any manner, however it will continue to closely monitor the developments around financial crime and sanctions and ensure that the Firm remains fully compliant.

(3) Broader governance and compliance considerations: though investment firms have so far mainly concentrated on the immediate sanctions issues faced by their organisations, they will increasingly need to consider broader governance and compliance issues, beyond the immediate challenges arising from the imposition of sanctions on clients and counterparties. The Firm will continue to adhere to the highest governance/compliance standards, monitor the international developments and maintain effective management of its reputational risk and regulatory position.

(4) Operational and cyber resilience: The FCA published guidance and recommendations for Investment Firms on the 24th of March, 2022, to reduce their risk of cyber compromise in relation to the Russian invasion of Ukraine. The regulator has noted that, although the National Cyber Security Centre (NCSC) is not aware of any current specific cyber threats to the UK following events in Ukraine, the NCSC has supported US President Biden's call for increased cyber security vigilance among firms in response to Russia's invasion of Ukraine.

Further to the FCA recommendations, the Firm is taking all necessary steps to ensure that it is able to withstand a cyber-attack. Such actions include:

- Raising staff awareness and ability to deal with an elevated cyber risk;
- Considering the implications of the continuing unrest and UK/US/EU sanctions and how they might impact upon the Firm and its third-party providers, and whether this could affect its ability to deliver its services to clients;
- Ensuring its business continuity and incident management arrangements are up-to-date, ensuring that it can continue to function and meet its regulatory obligations in the event of unforeseen disruption;
- Being ready to report material operational incidents to the FCA in a timely way and working with the regulator to minimise harm to consumers, markets and the wider UK financial sector;
- Being alert to the risk of false information being gathered or shared about the operations of a particular firm or the financial services sector, or about its staff, acting promptly and clearly in order to prevent such information being acted upon.

This report was approved by the Company's Directors and signed on its behalf,



Christiana Vasliadou
Director

London, 19 April 2022

TRADE CAPITAL UK (TCUK) LTD (FORMERLY LIVEMARKETS LIMITED)

DIRECTORS REPORT

The Directors present their report and audited financial statements of Trade Capital UK (TCUK) Ltd ("the Company") for the year ended 31 December 2021.

Principal activities and nature of operations of the Company

Trade Capital UK (TCUK) Ltd is authorised and regulated by the Financial Conduct Authority ("FCA") as a UK Investment Firm license number is FRN 738538, for the conduct of investment and ancillary services and activities under the provisions of the Financial Services and Markets Act 2000, as subsequently amended or replaced from time to time ("the Law" and "The Act"), and the FCA Rules.

The Company is registered in England and Wales with Company number 9203957.

Trade Capital UK (TCUK) Ltd provides investment services for Contracts for Difference ("CFDs") and Spread bets, executing clients' orders on a matched principal basis (no portfolio management or investment advice services).

The Company is acting as a provider of regulated products and services under its registered trade name trade.com and websites www.trade.com and www.tradecapitaluk.com.

Change of Company name

On 5 April 2022, the Company changed its name from Livemarkets Limited to Trade Capital UK (TCUK) Ltd.

Review of current position, future developments and performance of the Company's business

Despite the loss this year the Company's development to date and the financial position as reflected in the financial statements are considered satisfactory. The Company's 2021 revenues recorded a 114% increase and a net loss decrease of 72%, compared to 2020. The Company successfully completed a full year of operation since the FCA approval of the Variation of its Permission and is now in the process of exploring alternative revenue streams. In the fourth quarter of 2020 it was granted FCA authorization for onboarding Appointed Representatives. Furthermore, in the fourth quarter of 2021 the Company submitted an application to the FCA for variation of its permission to include portfolio management services.

The Directors of the Company do not expect major changes in the principal activities of the Company in the foreseeable future, other than the launch of portfolio management services upon FCA approval.

Principal risks and uncertainties

The principal risks and uncertainties faced by the Company are disclosed in note 5 of the financial statements.

Existence of branches

The Company did not operate through any branches during the year under review.

Going concern basis

The financial statements have been prepared on a going concern basis, under the historical cost convention, except for the modification to a fair value basis for certain financial instruments as set out in the accounting policies below.

The parent company, Trade Capital Holding (TCH) Ltd, has indicated its intention to continue providing such financial assistance to the Company to enable it to continue as a going concern and to meet its obligations as they fall due.

After making enquiries, the Directors have formed a judgement, at the time of approving these financial statements, that there is a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, the Directors have decided that the going concern basis is appropriate in preparing the financial statements.

Results and dividends

The Company's results for the year are set out on page 11. No dividends were proposed during the year and the net loss for the year is carried forward.

TRADE CAPITAL UK (TCUK) LTD (FORMERLY LIVEMARKETS LIMITED)

DIRECTORS REPORT

Share capital

There were no changes in the share capital of the Company during the year under review.

In light of the Company's application for portfolio management permission pending FCA approval, the Company proceeded with the injection of GBP60,000 additional capital in order to reinforce its financial position.

Directors

The Directors who have served during the year were as follows:

Vasliadou Christiana
Gavish Roei

On 16 June 2021, Mr. Sallm Sebbata resigned from his position as a Director of the Company.

On 12 March 2022, Mr. Federico Bentley Messerschmidt was appointed as a Director of the Company.

Events after the reporting period

Any significant events that occurred after the end of the reporting period are described in note 26 to the financial statements.

Independent Auditors

The Independent Auditors, K. Treppides & Co (UK) Limited, have expressed their willingness to continue in office and a resolution giving authority to the Board of Directors to be reappointed will be proposed at the Annual General Meeting.

This report was approved by the Company's Directors and signed on its behalf,



Christiana Vasliadou
Director

London, 19 April 2022

Independent Auditor's Report

To the Members of Trade Capital UK (TCUK) Ltd (Formerly Livemarkets Limited)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Trade Capital UK (TCUK) Ltd (Formerly Livemarkets Limited) (the "Company"), for the year ended 31 December 2021, which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity, statement of cash flow and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the International Accounting Standards Board (IASB).

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Company's affairs as at 31 December 2021, and of its loss for the year ended;
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB);
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for Opinion

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

Conclusions relating to Going Concern

In auditing the financial statements, we have concluded that the 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 directors with respect to going concern are described in the relevant sections of this report.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Strategic and Directors Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Independent Auditor's Report (continued)

To the Members of Trade Capital UK (TCUK) Ltd (Formerly Livemarkets Limited)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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.

Strategic Report and Directors' Report

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 year ended 31 December 2021 is consistent with the financial statements and has been prepared in accordance with the applicable legal requirements. In light, of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and the Directors' Report.

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 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 audit.

Responsibilities of the Directors and those charged with governance for the Financial Statements

As explained more fully in the Directors' responsibilities statements set out in page 6, 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 has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Independent Auditor's Report (continued)

To the Members of Trade Capital UK (TCUK) Ltd (Formerly Livemarkets Limited)

Auditor's Responsibilities for the Audit of the Financial Statements

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

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:

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to the Financial Conduct Authority's Handbook and corporation tax legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the recording of journals. Audit procedures performed included:

- Enquiries of management in relation to known or suspected instances of non-compliance with laws and regulation and fraud;
- Identifying and, where relevant, testing journal entries;
- Review of correspondence with regulators in so far as it was related to the financial statements; and
- Incorporated unpredictability into the nature, timing and /or extent of our testing

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are closely related to events and transactions reflected in the financial statements. Also the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment, for example, forgery or intentional misrepresentations, or through collusion.

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

Use of our report

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



Marios Cosma (Senior Statutory Auditor)
For and on behalf of K. Treppides & Co (UK) Limited
Chartered Accountants and Statutory Auditors
London, 19 April 2022

TRADE CAPITAL UK (TCUK) LTD (FORMERLY LIVEMARKETS LIMITED)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME **Year ended 31 December 2021**

	Note	2021 GBP£	2020 GBP£
Revenue	7	240,009	112,213
Direct expenses	8	(20,250)	(22,513)
Gross profit		219,759	89,700
Other income	9	60,812	10,000
Administration expenses	10	(408,100)	(375,261)
Operating loss		(127,529)	(275,561)
Net finance income/(cost)	12	27,661	(28,975)
Loss before tax		(99,868)	(304,536)
Tax	13	28,007	48,991
Net loss for the year		(71,861)	(255,545)
Other comprehensive income			
Other comprehensive income for the year		-	-
Total comprehensive loss for the year		(71,861)	(255,545)

The notes on pages 15 to 30 form an integral part of these financial statements.

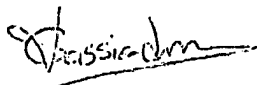
TRADE CAPITAL UK (TCUK) LTD (FORMERLY LIVEMARKETS LIMITED)

STATEMENT OF FINANCIAL POSITION

31 December 2021

	Note	2021 GBP£	2020 GBP£
ASSETS			
Non-current assets			
Property, plant and equipment	15	21	54
Deferred tax assets	19	<u>118,907</u>	<u>84,275</u>
		<u>118,928</u>	<u>84,329</u>
Current assets			
Trade and other receivables	16	<u>113,144</u>	<u>139,157</u>
Cash and cash equivalents	17	<u>116,881</u>	<u>475,111</u>
		<u>230,025</u>	<u>614,268</u>
Total assets		<u>348,953</u>	<u>698,597</u>
EQUITY AND LIABILITIES			
Equity and Reserves			
Share capital	18	<u>707,632</u>	<u>707,632</u>
Accumulated losses		<u>(491,734)</u>	<u>(419,873)</u>
Total equity		<u>215,898</u>	<u>287,759</u>
Current liabilities			
Trade and other payables	20	<u>130,629</u>	<u>410,335</u>
Current tax liabilities	21	<u>2,426</u>	<u>503</u>
Total liabilities		<u>133,055</u>	<u>410,838</u>
Total equity and liabilities		<u>348,953</u>	<u>698,597</u>

On 19 April 2022, the Directors of Trade Capital UK (TCUK) Ltd (formerly Livemarkets Limited) authorised these financial statements for issue.



Christiana Vasiadou
Director

The notes on pages 15 to 30 form an integral part of these financial statements.

TRADE CAPITAL UK (TCUK) LTD (FORMERLY LIVEMARKETS LIMITED)

STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2021

	Note	Share capital GBP£	Accumulated losses GBP£	Total GBP£
At 1 January 2020		350,000	(164,328)	185,672
Comprehensive income				
Total comprehensive loss for the year		-	(255,545)	(255,545)
Transactions with owners				
Issue of share capital	18	357,632	-	357,632
At 31 December 2020/At 1 January 2021		707,632	(419,873)	287,759
Comprehensive income				
Total comprehensive loss for the year		-	(71,861)	(71,861)
At 31 December 2021		707,632	(491,734)	215,898

The notes on pages 15 to 30 form an integral part of these financial statements.

TRADE CAPITAL UK (TCUK) LTD (FORMERLY LIVEMARKETS LIMITED)

STATEMENT OF CASH FLOWS

Year ended 31 December 2021

	Note	2021 GBP£	2020 GBP£
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		(99,868)	(304,536)
Adjustments for:			
Depreciation of property, plant and equipment	15	<u>33</u>	<u>104</u>
Cash flows used from operations before working capital changes		(99,835)	(304,432)
Changes in working capital:			
Trade and other receivables		26,013	256,497
Trade and other payables		<u>(279,706)</u>	<u>70,582</u>
Cash (used in)/generated from operations		(353,528)	22,647
Tax paid		<u>(4,702)</u>	<u>(506)</u>
Net cash (used in)/generated from operating activities		<u>(358,230)</u>	<u>22,141</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of share capital		-	260,498
Net cash generated from financing activities		<u>-</u>	<u>260,498</u>
Net (decrease)/increase in cash and cash equivalents		(358,230)	282,639
Cash and cash equivalents at beginning of the year		<u>475,111</u>	<u>192,472</u>
Cash and cash equivalents at end of the year	17	<u><u>116,881</u></u>	<u><u>475,111</u></u>

The notes on pages 15 to 30 form an integral part of these financial statements.

TRADE CAPITAL UK (TCUK) LTD (FORMERLY LIVEMARKETS LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

1. Incorporation and principal activities

Country of incorporation

Trade Capital UK (TCUK) Ltd (formerly Livemarkets Limited) (the "Company") was incorporated in United Kingdom on 4 September 2014, as a private Company with limited liability under UK Company Law. Its registered office is at 30, Crown Place, 12th Floor, EC2A 4EB, London, United Kingdom.

Change of Company name

On 5 April 2022, the Company changed its name from Livemarkets Limited to Trade Capital UK (TCUK) Ltd.

Principal activities

Trade Capital UK (TCUK) Ltd is authorised and regulated by the Financial Conduct Authority ("FCA") as a UK Investment Firm license number is FRN 738538, for the conduct of investment and ancillary services and activities under the provisions of the Financial Services and Markets Act 2000, as subsequently amended or replaced from time to time ("the Law" and "The Act"), and the FCA Rules.

The Company is registered in England and Wales with Company number 9203957.

Trade Capital UK (TCUK) Ltd provides investment services for Contracts for Difference ("CFDs") and Spread bets, executing clients' orders on a matched principal basis (no portfolio management or investment advice services).

The Company is acting as a provider of regulated products and services under its registered trade name trade.com and websites www.trade.com and www.tradecapitaluk.com.

2. Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the International Accounting Standards Board ("IASB") and the requirements of the United Kingdom, Companies Act 2006.

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates and requires Management to exercise its judgment in the process of applying the Company's accounting policies. It also requires the use of assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on Management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

3. Adoption of new or revised standards and interpretations

During the current year the Company adopted all the new and revised International Financial Reporting Standards (IFRS) that are relevant to its operations and are effective for accounting periods beginning on 1 January 2021. This adoption did not have a material effect on the accounting policies of the Company.

4. Significant accounting policies

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

TRADE CAPITAL UK (TCUK) LTD (FORMERLY LIVEMARKETS LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

4. Significant accounting policies (continued)

Going concern basis

The financial statements have been prepared on a going concern basis, under the historical cost convention, except for the modification to a fair value basis for certain financial instruments as set out in the accounting policies below.

The parent company, Trade Capital Holding (TCH) Ltd, has indicated its intention to continue providing such financial assistance to the Company to enable it to continue as a going concern and to meet its obligations as they fall due.

After making enquiries, the Directors have formed a judgement, at the time of approving these financial statements, that there is a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, the Directors have decided that the going concern basis is appropriate in preparing the financial statements.

Revenue

Identification of performance obligations

The Company assesses whether contracts that involve the provision of a range of services contain one or more performance obligations (that is, distinct promises to provide a service) and allocates the transaction price to each performance obligation identified on the basis of its stand-alone selling price. A service that is promised to a customer is distinct if the customer can benefit from the service, either on its own or together with other resources that are readily available to the customer (that is the service is capable of being distinct) and the Company's promise to transfer the service to the customer is separately identifiable from other promises in the contract (that is, the service is distinct within the context of the contract).

- **Provision of regulated product and services**
The Company operates as a matching principal broker for various CFD and Spread Betting instruments. The Company's revenue is derived from rebates received from the Liquidity Providers as a percentage of the spreads and swaps (overnight financing) charged to the clients.

Finance income

Interest income is recognised on a time-proportion basis using the effective interest method.

Finance costs

Finance costs and other borrowing costs are charged to the statement of profit or loss and other comprehensive income as incurred.

Foreign currency translation

- (1) **Functional and presentation currency**
Items included in the Company's financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in United Kingdom Pounds (GBP£), which is the Company's functional and presentation currency.
- (2) **Transactions and balances**
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit or loss and other comprehensive income.

TRADE CAPITAL UK (TCUK) LTD (FORMERLY LIVEMARKETS LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

4. Significant accounting policies (continued)

Tax

Tax recognised in the statement of profit and loss and other comprehensive income is the sum of current tax and deferred tax not recognised directly in equity. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted in the United Kingdom by the end of the reporting period. Deferred income taxes are calculated using the balance sheet liability method.

Deferred tax assets are recognised to the extent that it is probable that the underlying tax loss or deductible temporary difference will be utilised against future taxable income. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit. Deferred tax liabilities are generally recognised in full, although IAS 12 "Income Taxes" specifies limited exemptions.

Property, plant and equipment

Office equipment are stated at historical cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated on the straight-line method so as to write off the cost of each asset to its residual value over its estimated useful life. The annual depreciation rates used are as follows:

	%
Computer hardware	20
Office equipment	10

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

Where the carrying amount of an asset is greater than its estimated recoverable amount, the asset is written down immediately to its recoverable amount.

Expenditure for repairs and maintenance of office equipment is charged to the statement of profit or loss and other comprehensive income of the year in which it is incurred. The cost of major renovations and other subsequent expenditure are included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Company. Major renovations are depreciated over the remaining useful life of the related asset.

An item of office equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of profit or loss and other comprehensive income.

Deferred income from government grants

Government grants on non-current assets acquisitions are credited to profit or loss in instalments over the estimated useful economic lives of the corresponding assets. This is achieved by deducting grants from the book value of these assets and the recognition of income through the reduced depreciation charge. Grants are recognised when there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received. Government grants that relate to expenses are recognised in profit or loss as revenue.

TRADE CAPITAL UK (TCUK) LTD (FORMERLY LIVEMARKETS LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

4. Significant accounting policies (continued)

Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- the contract involves the use of an identified asset - this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Company has the right to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either:
 - the Company has the right to operate the asset; or
 - the Company designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for the leases of land and buildings in which it is a lessee, the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Company as lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of the right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

TRADE CAPITAL UK (TCUK) LTD (FORMERLY LIVEMARKETS LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

4. Significant accounting policies (continued)

Leases (continued)

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Company has elected not to recognise the right of use assets and lease liabilities for short term leases that have a lease term of 12 months. The Company recognises the lease payments associated with these leases as an expense on a straight line basis over the lease term.

Financial assets

Financial assets - Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured at amortised cost.

Financial assets - Recognition and derecognition

All purchases and sales of financial assets that require delivery within the time frame established by regulation or market convention ("regular way" purchases and sales) are recorded at trade date, which is the date when the Company commits to deliver a financial instrument. All other purchases and sales are recognised when the entity becomes a party to the contractual provisions of the instrument.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

Financial assets - Measurement

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in 'other income'. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss and other comprehensive income. Financial assets measured at amortised cost (AC) comprise: cash and cash equivalents, bank deposits with original maturity over 3 months, trade receivables and financial assets at amortised cost.

Financial assets - Impairment - credit loss allowance for ECL

The impairment methodology applied by the Company for calculating expected credit losses depends on the type of financial asset assessed for impairment. Specifically:

For trade receivables the Company applies the simplified approach permitted by IFRS 9, which requires lifetime expected credit losses to be recognised from initial recognition of the financial assets.

For all other financial instruments that are subject to impairment under IFRS 9, the Company applies general approach - three stage model for impairment. The Company applies a three stage model for impairment, based on changes in credit quality since initial recognition. A financial instrument that is not credit-impaired on initial recognition is classified in Stage 1.

TRADE CAPITAL UK (TCUK) LTD (FORMERLY LIVEMARKETS LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

4. Significant accounting policies (continued)

Financial assets (continued)

Financial assets - impairment - credit loss allowance for ECL (continued)

Financial assets in Stage 1 have their ECL measured at an amount equal to the portion of lifetime ECL that results from default events possible within the next 12 months or until contractual maturity, if shorter ("12 Months ECL"). If the Company identifies a significant increase in credit risk ("SICR") since initial recognition, the asset is transferred to Stage 2 and its ECL is measured based on ECL on a lifetime basis, that is, up until contractual maturity but considering expected prepayments, if any ("Lifetime ECL"). Refer to note 5, Credit risk section, for a description of how the Company determines when a SICR has occurred. If the Company determines that a financial asset is credit-impaired, the asset is transferred to Stage 3 and its ECL is measured as a Lifetime ECL. The Company's definition of credit impaired assets and definition of default is explained in note 5, Credit risk section.

Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents comprise cash at bank. Cash and cash equivalents are carried at amortised cost because: (i) they are held for collection of contractual cash flows and those cash flows represent solely payment of principal and interest, and (ii) they are not designated at fair value through profit or loss.

Classification as financial assets at amortised cost

These amounts generally arise from transactions outside the usual operating activities of the Company. They are held with the objective to collect their contractual cash flows and their cash flows represent solely payments of principal and interest. Accordingly, these are measured at amortised cost using the effective interest method, less provision for impairment. Financial assets at amortised cost are classified as current assets if they are due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current assets.

Classification as trade receivables

Trade receivables are amounts due from customers for services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less loss allowance.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, in which case they are recognised at fair value. The Company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

Trade receivables are also subject to the impairment requirements of IFRS 9. The Company applies the IFRS 9 general approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

Trade and other receivables consist of assets which are settled during 2022 and therefore no expected credit loss was recognised.

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Company, and a failure to make contractual payments.

TRADE CAPITAL UK (TCUK) LTD (FORMERLY LIVEMARKETS LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

4. Significant accounting policies (continued)

Financial assets (continued)

Trade and other payable

Trade and other payables are initially measured at fair value and are subsequently measured at amortised cost, using the effective interest rate method.

Client's money

The Company holds money on behalf of clients in accordance with the Client Asset ("CASS") rules of the Financial Conduct Authority. The amounts held on behalf of clients at the statement of financial position date are segregated from the Company's own funds, and held in segregated client money bank accounts which hold statutory trust status restricting the Company's ability to control the money, and accordingly such funds are not recorded on the statement of financial position.

Share capital

Ordinary shares are classified as equity.

5. Financial risk management

Financial risk factors

The Company is exposed to credit risk, liquidity risk, currency risk, operational risk, compliance risk, reputation risk, technology risk and capital risk management arising from the financial instruments it holds. The risk management policies employed by the Company to manage these risks are discussed below:

5.1 Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to meet an obligation. Credit risk arises from cash and cash equivalents and financial assets at amortised cost.

(i) Impairment of financial assets

The Company has the following types of financial assets that are subject to the expected credit loss model:

- trade and other receivables
- cash and cash equivalents

Trade and other receivables

The Company applies the IFRS 9 general approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

The Company has not recognised expected credit loss on the financial assets measured at amortised cost which are subject to impairment requirements of IFRS 9 as the effect was considered to be insignificant.

Cash and cash equivalents

The table below shows an analysis of the Company's bank deposit by the credit rating of the bank in which they are held:

Bank group based on credit ratings by Moody's	No of banks	2021	2020
		GBP£	GBP£
A1	2	116,881	475,111

TRADE CAPITAL UK (TCUK) LTD (FORMERLY LIVEMARKETS LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

5. Financial risk management (continued)

5.2 Liquidity risk

Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. An unmatched position potentially enhances profitability, but can also increase the risk of losses. The Company has procedures with the object of minimising such losses such as maintaining sufficient cash and other highly liquid current assets and by having available an adequate amount of committed credit facilities.

The following tables detail the Company's remaining contractual maturity for its financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The table includes both interest and principal cash flows.

31 December 2021

	Carrying amounts GBP£	3-12 months GBP£
Trade and other payables	<u>112,628</u>	<u>112,628</u>

31 December 2020

	Carrying amounts GBP£	3-12 months GBP£
Trade and other payables	<u>393,536</u>	<u>393,536</u>

5.3 Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the Company's measurement currency. The Company is exposed to foreign exchange risk arising from various currency exposures primarily with respect to the US Dollar and the Euro. The Company's Management monitors the exchange rate fluctuations on a continuous basis and acts accordingly.

5.4 Operational risk

Operational risk is the risk that derives from the deficiencies relating to the Company's information technology and control systems as well as the risk of human error and natural disasters. The Company's systems are evaluated, maintained and upgraded continuously.

5.5 Compliance risk

Compliance risk is the risk of financial loss, including fines and other penalties, which arises from non-compliance with laws and regulations of the state. The risk is limited to a significant extent due to the supervision applied by the Compliance Officer, as well as by the monitoring controls applied by the Company.

The Company is regulated by the Financial Conduct Authority ("FCA"). The regulatory environment is regularly changing and imposes significant demands on the resources of the Company. As the Company's activities expand, offering new products and penetrating new markets, these regulatory demands will inevitably increase. The increasing complexity of the Company's operations require training and recruitment be tailored to meet these regulatory demands and the costs of compliance are expected to increase.

TRADE CAPITAL UK (TCUK) LTD (FORMERLY LIVEMARKETS LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

5. Financial risk management (continued)

5.6 Risks arising due to COVID-19 markets lockdown

Risk management policies consider the financial and other risk implications of COVID-19 market(s) lockdown ("the COVID-19"). It is envisaged that during lockdowns there will be increase volume of transactions taking into consideration the increase of awareness of retail clients with online financial trading. As the time progresses the volume are expected to be stabilised and/or be reduced in a controlled manner since there may be concerns for liquidity by the retail investors. Any increase in the volume of transactions taking into consideration the increase of awareness of retail clients with online financial trading was only temporary, whilst the Company continues to closely monitor the trading activity and fund inflows of retail clients, to ensure that they are in line with their personal economic profile, declared income and employment conditions.

Furthermore, the Board of Directors of the Company resolved that the business continuity plan was activated on March 15, 2020 and the necessary arrangements were put in place for the employees to work remotely, keeping intact the Company's compliance monitoring program, AML monitoring procedures, recording of telephone conversations with clients, uninterrupted customer support services and maintenance of IT systems, servers' backups, continuous communication with the regulators/authorities and meeting deadlines of regulatory reporting obligations, etc.

The Company has therefore taken all necessary steps for the continuing smooth functioning of its operations and uninterrupted high level of service to its clients.

Consequently, the Company has not had any material impact on its business model, its financials and its ability to treat its customers fairly, as a result of the Coronavirus outbreak and the Government 'stay-at-home' advice.

The Company as part of the risk management policy and procedures and Internal Capital Adequacy Assessment Process, performs sensitivity analysis taking into consideration the Optimistic, Normal and Pessimistic scenarios in order to have a thorough assessment of the possible effects of the COVID-19.

5.7 Technology risk

The Company's operations are highly dependent on technology and advanced information systems. Its ability to provide its clients with reliable, real-time access to its systems is fundamental to the success of the business. Such dependency upon technology exposes the Company to significant risk in the event that such technology or systems experience any form of damage, interruption or failure. The Company has business continuity procedures and policies in place which are designed to allow the Company to continue trading in its core markets and its systems are designed to mitigate the risk of failure of any component.

Where the Company is dependent upon providers of data, market information, telephone and internet connectivity, the Company mitigates against the risk of failure of any of these suppliers by ensuring that where possible multiple providers and data routes are utilized. To remain competitive, the Company must continue to enhance and improve the responsiveness, functionality, accessibility and other features of its software, network distribution systems and technologies.

5.8 Capital risk management

The Company's regulator, the FCA, stipulates that the Company must maintain a minimum capital adequacy.

In light of the Company's application for portfolio management permission pending FCA approval, the Company proceeded with the injection of GBP60,000 additional capital in order to reinforce its financial position.

Fair value estimation

The fair values of the Company's financial assets and liabilities approximate their carrying amounts at the reporting date.

TRADE CAPITAL UK (TCUK) LTD (FORMERLY LIVEMARKETS LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

6. Critical accounting estimates, judgments and assumptions

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

- **Going concern basis**

The Directors judge that it is appropriate to prepare the financial statements on the going concern basis.

- **Income taxes**

Significant judgment is required in determining the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Critical judgements in applying the Company's accounting policies

- **Impairment of financial assets**

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in note 5, Credit risk section.

7. Revenue

	2021 GBP£	2020 GBP£
Commission Income	<u>240,009</u>	<u>112,213</u>

8. Direct expenses

	2021 GBP£	2020 GBP£
Business affiliate expenses	-	7,346
Payment service provider fees	<u>20,250</u>	<u>15,167</u>
	<u>20,250</u>	<u>22,513</u>

TRADE CAPITAL UK (TCUK) LTD (FORMERLY LIVEMARKETS LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

9. Other income

	2021 GBP£	2020 GBP£
Migration fees (note 22.1)	60,812	-
Small Business Relief (Westminster Council) grant	-	10,000
	<u>60,812</u>	<u>10,000</u>

10. Administration expenses

	2021 GBP£	2020 GBP£
Staff costs (Note 11)	148,239	100,693
Rent	19,859	21,322
Insurance	25,414	14,983
Auditors' remuneration for the statutory audit of annual accounts	15,000	14,000
Legal fees	13,714	11,306
Other professional fees	15,787	31,778
Non recoverable VAT expense	10,644	18,858
Directors' fees	158,510	152,777
Other running expenses	933	9,544
	<u>408,100</u>	<u>375,261</u>

11. Staff costs

	2021 GBP£	2020 GBP£
Wages and Salaries	97,213	54,037
Social security costs	46,536	41,608
Pension contributions	4,490	5,048
	<u>148,239</u>	<u>100,693</u>
Average number of employees (excluding Directors in their executive capacity)	<u>2</u>	<u>2</u>

12. Finance income/(costs)

	2021 GBP£	2020 GBP£
Exchange profit	93,304	85,854
Finance income	<u>93,304</u>	<u>85,854</u>
Net foreign exchange losses	(64,248)	(113,612)
Other finance expenses	(1,395)	(1,217)
Finance costs	<u>(65,643)</u>	<u>(114,829)</u>
Net finance income/(cost)	<u>27,661</u>	<u>(28,975)</u>

13. Tax

	2021 GBP£	2020 GBP£
Deferred tax - credit (Note 19)	(34,632)	(50,000)
Gambling tax	6,625	1,009
Credit for the year	<u>(28,007)</u>	<u>(48,991)</u>

TRADE CAPITAL UK (TCUK) LTD (FORMERLY LIVEMARKETS LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

13. Tax (continued)

The tax on the Company's results before tax differs from theoretical amount that would arise using the applicable tax rates as follows:

	2021 GBP£	2020 GBP£
Loss before tax	<u>(99,868)</u>	<u>(304,536)</u>
Tax calculated at the applicable tax rates	(18,975)	(57,862)
Tax effect of expenses not deductible for tax purposes	12,213	5,294
Tax effect of allowances and income not subject to tax	(29,292)	(18)
Tax effect of tax loss for the year	36,054	52,586
Deferred tax	(34,632)	(50,000)
Gambling tax	6,625	1,009
Tax charge	<u>(28,007)</u>	<u>(48,991)</u>

The corporation tax rate is 19%.

14. Financial instruments by category

The accounting policies for financial instruments have been applied to the line items below:

31 December 2021

	Financial assets at amortised cost GBP£	Total GBP£
Assets as per statement of financial position:		
Financial assets (excluding deposits, prepayments and deferred expenses)	89,958	89,958
Cash and cash equivalents	<u>116,881</u>	<u>116,881</u>
Total	<u>206,839</u>	<u>206,839</u>

	Borrowings and other financial liabilities GBP£	Total GBP£
Liabilities as per statement of financial position:		
Trade and other payables (excluding accruals and taxes)	<u>112,628</u>	<u>112,628</u>
Total	<u>112,628</u>	<u>112,628</u>

31 December 2020

	Financial assets at amortised cost GBP£	Total GBP£
Assets as per statement of financial position:		
Financial assets (excluding deposits, prepayments and deferred expenses)	109,014	109,014
Cash and cash equivalents	<u>475,111</u>	<u>475,111</u>
Total	<u>584,125</u>	<u>584,125</u>

	Borrowings and other financial liabilities GBP£	Total GBP£
Liabilities as per statement of financial position:		
Trade and other payables (excluding accruals and taxes)	<u>393,536</u>	<u>393,536</u>
Total	<u>393,536</u>	<u>393,536</u>

TRADE CAPITAL UK (TCUK) LTD (FORMERLY LIVEMARKETS LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

15. Property, plant and equipment

	Computer hardware GBP£	Office equipment GBP£	Total GBP£
Cost			
At 1 January 2020	500	35	535
At 31 December 2020/At 1 January 2021	500	35	535
At 31 December 2021	500	35	535
Depreciation			
At 1 January 2020	370	7	377
Charge for the year	100	4	104
At 31 December 2020/At 1 January 2021	470	11	481
Charge for the year	30	3	33
At 31 December 2021	500	14	514
Net book amount			
At 31 December 2021	-	21	21
At 31 December 2020	30	24	54

16. Trade and other receivables

	2021 GBP£	2020 GBP£
Trade receivables	85,978	107,748
Deposits and prepayments	21,986	29,468
Deferred expenses	1,200	675
Other receivables	3,980	1,266
	<u>113,144</u>	<u>139,157</u>

The fair values of trade and other receivables due within one year approximate to their carrying amounts as presented above.

17. Cash and cash equivalents

For the purposes of the statement of cash flows, the cash and cash equivalents include the following:

	2021 GBP£	2020 GBP£
Cash at bank	<u>116,881</u>	<u>475,111</u>

Cash and cash equivalents by currency:

	2021 GBP£	2020 GBP£
United States Dollars	17,769	-
Euro	49,467	166,586
British Pounds	<u>49,645</u>	<u>308,525</u>
	<u>116,881</u>	<u>475,111</u>

The exposure of the Company to credit risk and impairment losses in relation to cash and cash equivalents is reported in note 5 of the financial statements.

TRADE CAPITAL UK (TCUK) LTD (FORMERLY LIVEMARKETS LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

18. Share capital

	2021 Number of shares	2021 GBP£	2020 Number of shares	2020 GBP£
Authorised				
Ordinary shares of GBP1 each	676,572	676,572	676,572	676,572
Ordinary shares of EURO1 each	40,000	31,060	40,000	31,060
	<u>716,572</u>	<u>707,632</u>	<u>716,572</u>	<u>707,632</u>
Issued and fully paid				
At 1 January	716,572	707,632	358,940	350,000
Issue of shares	-	-	357,632	357,632
At 31 December	<u>716,572</u>	<u>707,632</u>	<u>716,572</u>	<u>707,632</u>

Authorised capital

During 2020, the authorised share capital of the Company was increased from 358,940 shares to 716,572 shares, totalling to GBP£707,632.

Issued capital

During 2020, the Company issued to its shareholder 357,632 additional ordinary shares of GBP£1 per share totalling to GBP£707,632.

In order to fulfill the relevant FCA conditions, during 2020, the Company increased its share capital to GBP£707,632, which is divided to EURO40,000 and GBP£676,572, therefore the Company's own funds meet the minimum required threshold of GBP£125,000. The Company follows FCA guidelines and complies with the relevant regulations.

19. Deferred tax

Deferred tax is calculated in full on all temporary differences under the liability method using the applicable tax rates (Note 13). The applicable corporation tax rate in the case of tax losses is 19%.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same fiscal authority.

The movement on the deferred taxation account is as follows:

Deferred tax assets

	Tax losses GBP£
At 1 January 2020	34,275
Charged/(credited) to:	
Statement of profit or loss and other comprehensive income (Note 13)	50,000
At 31 December 2020/At 1 January 2021	<u>84,275</u>
Charged/(credited) to:	
Statement of profit or loss and other comprehensive income (Note 13)	34,632
At 31 December 2021	<u>118,907</u>

TRADE CAPITAL UK (TCUK) LTD (FORMERLY LIVEMARKETS LIMITED)

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Year ended 31 December 2021

20. Trade and other payables

	2021	2020
	GBP£	GBP£
Trade payables	112,538	391,200
Accruals	18,001	16,799
Other payables	90	2,336
	<u>130,629</u>	<u>410,335</u>

The fair values of trade and other payables due within one year approximate to their carrying amounts as presented above.

21. Current tax liabilities

	2021	2020
	GBP£	GBP£
Gambling tax liability	<u>2,426</u>	<u>503</u>

22. Related party transactions

The Company is controlled by Trade Capital Holding (TCH) Ltd, incorporated in Cyprus, which owns 100% of the Company's shares.

The ultimate beneficial owner of the Company is Mark Lauterstein.

The following transactions were carried out with related parties:

22.1 Migration fees (note 9)

	2021	2020
	GBP£	GBP£
Trade Capital Markets (TCM) Ltd	6,497	-
Tradecapital Markets Ltd - Gibraltar Branch	<u>54,315</u>	<u>-</u>
	<u>60,812</u>	<u>-</u>

22.2 Directors' remuneration

The remuneration of Directors and other members of key management was as follows:

	2021	2020
	GBP£	GBP£
Directors' fees	<u>158,510</u>	<u>152,777</u>

23. Contingent liabilities

The Company had no contingent liabilities as at 31 December 2021.

24. Commitments

The Company had no capital or other commitments as at 31 December 2021.

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Year ended 31 December 2021

25. Clients money

The Company holds money on behalf of its clients in accounts designated as "segregated client accounts". These segregated accounts comply with the Financial Conduct Authority's ("FCA") rules on client money. The accounts have the required trust status acknowledgement letters in place which the Company's ability to control the funds, hence such amounts are not held on the Company's statement of financial position.

	2021	2020
	GBP£	GBP£
Segregated client funds	<u>2,032,796</u>	<u>728,955</u>

26. Events after the reporting period

Depending on the duration of the Coronavirus disease (COVID-19) pandemic, and continued negative impact on economic activity, the Company might experience negative results, and liquidity restraints and incur impairments on its assets in 2022. The exact impact on the Company's activities in 2022 and thereafter cannot be predicted. Nevertheless, the Company has confirmed the ongoing commitment of its shareholder to provide financial support, if necessary, in order to enable the Company to meet its obligations as they fall due and to meet its capital requirements in compliance with its FCA permission.

It is noted that the Company proceeded with the injection of an additional GBP60,000 in order to reinforce its capital base ahead of the launch of the portfolio management services upon FCA approval. On 17 March 2022, the authorised share capital of the Company was increased from 716,572 shares to 776,572 shares. On 17 March 2022, the Company issued additional shares to its shareholders 60,000 ordinary shares of GBP1 per share.

There were no other material events after the reporting period, which have a bearing on the understanding of the financial statements.

Independent auditor's report on pages 8 to 10