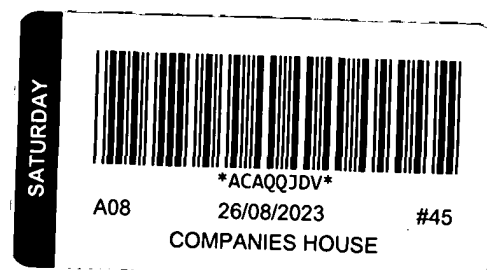


Company Registration No. 09240825 (England and Wales)

**DRW GLOBAL MARKETS LTD**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31 DECEMBER 2022**



# DRW GLOBAL MARKETS LTD

## COMPANY INFORMATION

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<b>Directors</b>	N G Dunn P D G Abbot C B Saltzman
<b>Secretary</b>	Katten Muchin Rosenman UK LLP
<b>Company number</b>	09240825
<b>Registered office</b>	122 The Leadenhall Building Leadenhall Street 36th Floor London England EC3V 4AB
<b>Auditor</b>	RSM UK Audit LLP Chartered Accountants 25 Farringdon Street London EC4A 4AB

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# DRW GLOBAL MARKETS LTD

## STRATEGIC REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2022

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The directors present the strategic report for the year ended 31 December 2022.

#### **Fair review of the business**

The principal activity of DRW Global Markets Ltd during the year is that of trading securities and financial instruments for its own account. The principal assets of the business are cash and long and short securities.

#### **Operational risk management**

The principal operating risks of the company are as follows:

##### ***Market and credit risk***

In the normal course of business, the company enters into transactions in securities and financial instruments with varying degrees of market and credit risk. These financial instruments include securities which are traded on exchanges throughout Europe. Settlement of these transactions generally takes place through clearing brokers utilised by the company. The company's market risk is attributable to potential changes in the market value of portfolios of financial instruments and is affected by various factors; among these factors are the size and composition of positions held, as well as volatility and liquidity in the markets in which the financial instruments are traded.

##### ***Foreign exchange risk***

Foreign exchange risk is the risk that exists when an open position is denominated in a currency other than the base currency of the company. The company holds cash balances and trading positions in a number of currencies other than its base currency (GBP), and adverse changes in currency values relative to the base currency can result in losses.

##### ***Liquidity risk***

Liquidity risk is the risk that the company will not be able to meet its obligations. The company monitors its levels of working capital to ensure that it can meet its repayments as they fall due. The company generally maintains cash reserves to minimise any liquidity risk on open positions. The credit worthiness of banks and clearing brokers where the company holds assets is monitored on an ongoing basis. Ultimate responsibility for liquidity risk management rests with the board of directors, which has built an appropriate management framework for the management of the company's short, medium and long-term funding and liquidity management requirements.

##### ***Compliance & regulatory risk***

The company is required to comply with a number of regulatory requirements in the UK and Europe as a result of trading on BATS and EUREX and other European exchanges. The company ensures that these requirements are met by employing qualified personnel who understand this risk.

The Firm's Pillar 3 disclosures will be made available and can be accessed via <http://drwglobalmarketsltd.com/DRW-Global-Markets-Pillar-3.pdf>.

##### ***IT risk***

Technology is integral to the day to day operations of the company, therefore a technology related failure could expose the company to reputational damage and losses. In order to minimise the company's exposure, ongoing testing is performed, standards are maintained and the IT environment is maintained by experienced personnel. A business continuity plan is also in place.

##### ***Legislative/Political risk***

A change in regulation carries the risk of making the business less profitable or, potentially, removing the business altogether. The company works to anticipate changes, thereby minimising the effect on the company.

#### **Key performance indicators**

The directors regularly review and analyse a wide range of KPIs for an assessment and measurement of the company's performance and financial position, the main financial indicators being turnover and gross margin. The information for these KPIs is included in the accompanying financial statements.

# DRW GLOBAL MARKETS LTD

## STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022


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### Section 172 statement

Directors' Statement of Compliance with duty to promote success of the company:

The directors have a legal responsibility under section 172 of the Companies Act 2006 to act, in good faith, in the manner most likely to promote the company's success for the benefit of its members as a whole, and to have regard to the long-term effect of decisions on the company and its stakeholders. Business decisions are made with the needs of key stakeholders in mind, in particular, shareholders, employees, counterparties, and regulators. In regards to shareholders, the company's sole objective is to maximise revenues generated from trading approved financial instruments for its own account and strategic decisions are made based on long-term objectives which are established and monitored by the ultimate parent in the US. In regards to employees, the company strives to recruit and retain talented people and incentivize them accordingly. In regards to counterparties, the company respects established legal agreements and treats counterparties fairly and with respect. In regards to regulators, the company is regulated by the Financial Conduct Authority (FCA). The directors recognise that regulation is designed to protect market participants and maintain confidence in the markets. As such, the company engages with regulators in an open and flexible manner. Depending on the nature of issues that arise, the relevant interests of each stakeholder group may differ and, as such, the directors seek to understand the interest and priorities of stakeholders. The directors acknowledge that not all decisions will necessarily result in a positive outcome for all stakeholders.

On behalf of the board

  
.....

N G Dunn

Director

Date: 31/03/23  
.....

# DRW GLOBAL MARKETS LTD

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2022

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The directors present their annual report and financial statements for the year ended 31 December 2022.

#### Principal activities

The principal activity of the company continued to be that of trading in securities and financial instruments.

#### Results and dividends

The results for the year are set out on page 8.

The directors do not recommend the payment of a dividend for the year (2021: £nil).

#### Financial instruments

Details of the company's financial risk management objectives and policies are included in note 16 to the accounts.

#### Matters of strategic importance

Information is not shown within the Directors' Report as it is instead included within the Strategic Report on page 1 under S414c(11).

#### Directors' regard to relationships with stakeholders

With respect to how the directors have had regard to the need to foster the company's business relationships, please refer to the Section 172 statement within the Strategic Report.

#### Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

N G Dunn

P D G Abbot

C B Saltzman

(Appointed 1 January 2023)

#### Auditor

RSM UK Audit LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an Annual General Meeting.

#### Statement of disclosure to auditor

So far as the directors are aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board



N G Dunn

Director

Date: 31/03/23

# **DRW GLOBAL MARKETS LTD**

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

### **FOR THE YEAR ENDED 31 DECEMBER 2022**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

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

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

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

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DRW GLOBAL MARKETS LTD

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## Opinion

We have audited the financial statements of DRW Global Markets Ltd (the 'company') for the year ended 31 December 2022 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

## Basis for opinion

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

## Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

## Other information

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

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.

## Opinions 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.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DRW GLOBAL MARKETS LTD (CONTINUED)**

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

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

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

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### **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.

### **The extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.



## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DRW GLOBAL MARKETS LTD (CONTINUED)

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In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the company operates in and how the company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud having obtained an understanding of the effectiveness of the control environment.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures, inspecting correspondence with local tax authorities and evaluating advice received from internal/external tax advisors.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to FCA. We performed audit procedures to inquire of management and those charged with governance whether the company is in compliance with these laws and regulations, and inspected correspondence with the FCA.

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to any significant, unusual transactions and transactions entered into outside the normal course of business.

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

### Use of our report

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

*Malcolm Pirouet*

Malcolm Pirouet FCA (Senior Statutory Auditor)  
For and on behalf of RSM UK Audit LLP, Statutory Auditor  
Chartered Accountants  
25 Farringdon Street  
London  
EC4A 4AB

31/03/23 .....

# DRW GLOBAL MARKETS LTD

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2022


		2022	2021
	Notes	£	£
Turnover	3	14,173,579	8,702,057
Administrative expenses		(1,464,724)	(3,881,859)
<b>Operating profit</b>		<b>12,708,855</b>	<b>4,820,198</b>
Interest receivable and similar income	6	935	-
Interest payable and similar expenses	7	(12,019,301)	(3,947,000)
<b>Profit on ordinary activities before taxation</b>		<b>690,489</b>	<b>873,198</b>
Taxation	8	(131,191)	(165,908)
<b>Profit for the financial year</b>		<b>559,298</b>	<b>707,290</b>

This statement has been prepared on the basis that all operations are continuing operations.

**DRW GLOBAL MARKETS LTD****STATEMENT OF FINANCIAL POSITION****AS AT 31 DECEMBER 2022**

	Notes	2022 £	£	2021 £	£
<b>Current assets</b>					
Debtors	9	47,458,164		9,039,358	
Cash at bank and in hand	10	8,685,269		72,024,074	
		56,143,433		81,063,432	
<b>Creditors: amounts falling due within one year</b>	11	(13,209,869)		(13,689,166)	
<b>Net current assets</b>		42,933,564		67,374,266	
<b>Capital and reserves</b>					
Called up share capital	13	2,400,100		2,400,100	
Capital contribution reserve	14	33,416,269		58,416,269	
Profit and loss reserves	14	7,117,195		6,557,897	
<b>Total equity</b>		42,933,564		67,374,266	

The financial statements were approved by the board of directors and authorised for issue on 31/03/23 and are signed on its behalf by:

  
 .....  
 N G Dunn  
 Director

# DRW GLOBAL MARKETS LTD

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2022

	Share capital £	Capital contribution reserve £	Profit and loss reserves £	Total £
<b>Balance at 1 January 2021</b>	2,400,100	42,800,000	5,850,607	51,050,707
<b>Year ended 31 December 2021:</b>				
Profit and total comprehensive income for the year	-	-	707,290	707,290
Capital contribution	-	15,616,269	-	15,616,269
<b>Balance at 31 December 2021</b>	<u>2,400,100</u>	<u>58,416,269</u>	<u>6,557,897</u>	<u>67,374,266</u>
<b>Year ended 31 December 2022:</b>				
Profit and total comprehensive income for the year	-	-	559,298	559,298
Capital contribution	-	42,730,481	-	42,730,481
Capital reduction	-	(67,730,481)	-	(67,730,481)
<b>Balance at 31 December 2022</b>	<u><u>2,400,100</u></u>	<u><u>33,416,269</u></u>	<u><u>7,117,195</u></u>	<u><u>42,933,564</u></u>

# DRW GLOBAL MARKETS LTD

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 £	£	2021 £	£
<b>Cash flows from operating activities</b>					
Cash (absorbed by)/generated from operations	15	(34,863,181)		194,686,280	
Interest paid		(12,019,301)		(3,947,000)	
Income taxes paid		(131,191)		(165,908)	
<b>Net cash (outflow)/inflow from operating activities</b>		<b>(47,013,673)</b>		<b>190,573,372</b>	
<b>Financing activities</b>					
Capital reduction		(67,730,481)		-	
Capital contribution		42,730,481	15,616,269		
<b>Net cash (used in)/generated from financing activities</b>		<b>(25,000,000)</b>		<b>15,616,269</b>	
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(72,013,673)</b>		<b>206,189,641</b>	
Cash and cash equivalents at beginning of year		72,024,074		(134,165,567)	
<b>Cash and cash equivalents at end of year</b>		<b>10,401</b>		<b>72,024,074</b>	
<b>Relating to:</b>					
Cash at bank and in hand		8,685,269		72,024,074	
Amounts payable to clearing firms included in creditors payable within one year		(8,674,868)		-	

# DRW GLOBAL MARKETS LTD

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

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### 1 Accounting policies

#### Company information

DRW Global Markets Ltd is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is 122 The Leadenhall Building, Leadenhall Street, 36th Floor, London, England, EC3V 4AB.

The company's principal activities and nature of its operations are disclosed in the Directors' Report.

#### Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006, including the provisions of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include certain financial instruments at fair value. The principal accounting policies adopted are set out below.

#### Going concern

The directors have a reasonable expectation that the Company has adequate resources to meet its on-going obligations for at least 12 months from the date of signing the statutory accounts, including regulatory requirements.

#### Turnover

The trading results represent the net of realised and unrealised gains and losses arising from trading in financial and equity securities, net of trading expenses, and are recognised on a trade date basis.

#### Cash and cash equivalents

Cash and cash equivalents are basic financial instruments and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and amounts payable to clearing firms. Amounts payable to clearing firms are shown within borrowings in current liabilities.

#### Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument.

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

#### Basic financial assets

Basic financial assets, which include other debtors and amounts owed by group undertakings are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost being the transaction price less any amounts settled and any impairment losses.

Where the arrangement with a debtor constitutes a financing transaction, the debtor is initially measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument and subsequently measured at amortised cost.

# DRW GLOBAL MARKETS LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

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#### 1 Accounting policies (Continued)

##### ***Other financial assets***

Other financial assets, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

##### ***Securities***

Securities are initially recognised at fair value at the date a security contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately.

A security with a positive fair value is recognised as a financial asset, whereas a security sold short is recognised as a financial liability.

##### ***Impairment of financial assets***

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the fair market value of the assets has decreased. The impairment loss is recognised in profit or loss.

##### ***Derecognition of financial assets***

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

##### ***Classification of financial liabilities***

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

##### ***Basic financial liabilities***

Basic financial liabilities, including trade and other creditors and amounts due to group undertakings are initially recognised at transaction price and subsequently measured at amortised cost being transaction price less any amounts settled. Where the arrangement constitutes a financing transaction, the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

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

##### ***Other financial liabilities***

Debt instruments where the contractual returns, repayment of the principal, or other terms (such as prepayment provisions or term extensions) do not meet the conditions to be measured at amortised cost, are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

##### ***Derecognition of financial liabilities***

Financial liabilities are derecognised when, and only when, the company's contractual obligations are discharged, cancelled, or they expire.

# DRW GLOBAL MARKETS LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

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#### 1 Accounting policies (Continued)

##### Equity instruments

Equity instruments issued by the company are recorded at the fair value of proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

##### Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

##### Foreign exchange

Transactions in currencies other than the functional currency (foreign currency) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction, or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

#### 2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

In the opinion of the directors, there are no judgements or estimates which have a significant risk of causing a material adjustment to the carrying amount of assets or liabilities.



# DRW GLOBAL MARKETS LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

### 3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2022 £	2021 £
<b>Turnover analysed by class of business</b>		
Financial instrument trading	14,173,579	8,702,057
	<u>          </u>	<u>          </u>
	2022 £	2021 £
<b>Other revenue</b>		
Interest income	935	-
	<u>          </u>	<u>          </u>
	2022 £	2021 £
<b>Turnover analysed by geographical market</b>		
United Kingdom	14,173,579	8,702,057
	<u>          </u>	<u>          </u>

### 4 Employees

There were no employees in the current or prior year.

### 5 Auditor's remuneration

	2022 £	2021 £
Fees payable to the company's auditor and its associates:		
<b>For audit services</b>		
Audit of the financial statements of the company	34,000	18,000
	<u>          </u>	<u>          </u>
<b>For other services</b>		
All other non-audit services	6,000	4,465
	<u>          </u>	<u>          </u>

### 6 Interest receivable and similar income

	2022 £	2021 £
<b>Interest income</b>		
Interest receivable from group companies	935	-
	<u>          </u>	<u>          </u>

# DRW GLOBAL MARKETS LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

#### 7 Interest payable and similar expenses

	2022 £	2021 £
<b>Interest on financial liabilities:</b>		
Interest on trading balances	12,004,960	3,796,338
Other interest on financial liabilities	14,341	92,366
	<u>12,019,301</u>	<u>3,888,704</u>
<b>Other finance costs:</b>		
Other interest	-	58,296
	<u>12,019,301</u>	<u>3,947,000</u>

#### 8 Taxation

	2022 £	2021 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	131,193	165,908
Adjustments in respect of prior periods	(2)	-
	<u>131,191</u>	<u>165,908</u>

The total tax charge for the year included in the income statement can be reconciled to the profit before tax multiplied by the standard rate of tax as follows:

	2022 £	2021 £
Profit before taxation	<u>690,489</u>	<u>873,198</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	131,193	165,908
Under/(over) provided in prior years	(2)	-
	<u>131,191</u>	<u>165,908</u>

#### 9 Debtors

	2022 £	2021 £
<b>Amounts falling due within one year:</b>		
Trade debtors	35,114	-
Amounts owed by group undertakings	39,960,887	45
Securities and financial instruments	7,457,598	9,011,326
Prepayments and accrued income	4,565	27,987
	<u>47,458,164</u>	<u>9,039,358</u>

# DRW GLOBAL MARKETS LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

### 9 Debtors (Continued)

Amounts due from group undertakings are payable on demand and accrue interest at a rate of 5% when not settled within 90 days.

### 10 Cash at bank and in hand

	2022 £	2021 £
Cash at bank	5,049,127	5,259,389
Cash from clearing firms	3,636,142	66,764,685
	<u>8,685,269</u>	<u>72,024,074</u>

### 11 Creditors: amounts falling due within one year

	2022 £	2021 £
Cash owed to clearing firms	8,674,868	-
Trade creditors	-	5,082
Amounts due to group undertakings	23,581	8,081,209
Securities and financial instruments	3,754,997	5,264,511
Accruals and deferred income	756,423	338,364
	<u>13,209,869</u>	<u>13,689,166</u>

Trade creditors and accruals principally comprise amounts outstanding for trade purchases and ongoing costs. The company has financial risk management policies in place to ensure that all payables are paid within pre-agreed credit terms.

The directors consider that the carrying amount of trade creditors approximates to their fair values.

Amounts due to group undertakings are repayable on demand and are interest free.

Amounts due to group undertakings are payable on demand and accrue interest at a rate of 5% when not settled within 90 days.

### 12 Financial instruments

	2022 £	2021 £
<b>Carrying amount of financial assets</b>		
Instruments measured at fair value through profit or loss	<u>7,457,598</u>	<u>9,011,326</u>
<b>Carrying amount of financial liabilities</b>		
Measured at fair value through profit or loss		
- Other financial liabilities	<u>3,754,997</u>	<u>5,264,511</u>

The securities are valued at daily at market value (determined by exchange settlement price). Fair value gains and losses are recognised in profit and loss.

# DRW GLOBAL MARKETS LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

#### 13 Share capital

	2022 Number	2021 Number	2022 £	2021 £
<b>Ordinary share capital</b>				
<b>Issued and fully paid</b>				
Ordinary shares of £1 each	100	100	100	100
Ordinary 'A' shares of £100 each	24,000	24,000	2,400,000	2,400,000
	<u>24,100</u>	<u>24,100</u>	<u>2,400,100</u>	<u>2,400,100</u>

#### Ordinary shares

Each ordinary share has full rights in the company with respect to voting, dividends and distributions (including on a winding up), they do not confer any rights of redemption.

#### Ordinary 'A' shares

Each ordinary 'A' share entitles the shareholder to one vote in any circumstances. Each share ranks equally for any dividend declared and distribution of capital including on a winding up. The shares are not redeemable.

#### 14 Reserves

##### Profit and loss reserves

Cumulative profit and loss net of distributions to owners.

##### Capital contribution reserve

Capital contributed by shareholders.

#### 15 Cash (absorbed by)/generated from operations

	2022 £	2021 £
Profit for the year after tax	559,298	707,290
<b>Adjustments for:</b>		
Taxation charged	131,191	165,908
Finance costs	12,019,301	3,947,000
Investment income	(935)	-
<b>Movements in working capital:</b>		
(Increase)/decrease in debtors	(38,417,695)	607,446,029
Decrease in creditors	(9,154,341)	(417,579,947)
<b>Cash (absorbed by)/generated from operations</b>	<u>(34,863,181)</u>	<u>194,686,280</u>

# DRW GLOBAL MARKETS LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

### 16 Analysis of changes in net funds

	1 January 2022 £	Cash flows £	31 December 2022 £
Cash at bank and in hand	72,024,074	(63,338,805)	8,685,269
Amounts payable to clearing firms	-	(8,674,868)	(8,674,868)
	<u>72,024,074</u>	<u>(72,013,673)</u>	<u>10,401</u>

### 17 Financial risk management objectives and policies

The company is exposed to risks that arise from the use of securities and financial instruments. This note describes the company's objectives, policies and processes for managing those risks and the methods used to measure them.

There have been no substantive changes to the company's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from the previous year.

The principal risks to which the company is exposed are equity price risk, exchange rate risk, interest rate risk, liquidity risk and credit risk.

#### *Credit risk*

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the company.

The company's credit risk is primarily attributable to its loans and other receivables. All of the company's clearing firms are regulated by the FCA or equivalent regulatory body and are subject to creditworthiness review as appropriate.

In the normal course of business, the company enters into transactions in financial instruments with varying degrees of market and credit risk. These financial instruments include derivatives such as futures contracts and options on futures contracts which are primarily centrally cleared. A substantial portion of the company's trading of these financial instruments is conducted on securities and futures exchanges throughout Europe. Settlement of these transactions generally takes place through clearing brokers utilised by the company.

#### *Liquidity Risk*

Liquidity risk is the risk that the company will not be able to meet its obligations without incurring excessive losses. The company monitors its levels of working capital to ensure that it can meet its repayments as they fall due. The company generally maintains cash reserves to minimise any liquidity risk on open positions. The credit worthiness of banks and clearing brokers is monitored on an ongoing basis. Ultimate responsibility for liquidity risk management rests with the board of directors, which has built a management framework for the management of the company's short, medium and long-term funding and liquidity management requirements.

All securities and financial instruments are level 1 assets.

# DRW GLOBAL MARKETS LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

#### 17 Financial risk management objectives and policies (Continued)

	Payable on demand £	Less than 30 days £	Total £
<b>At 31 December 2022</b>			
Amounts owed to group undertakings	23,581	-	23,581
Accruals and other creditors	756,423	-	756,423
<b>Total</b>	<b>780,004</b>	<b>-</b>	<b>780,004</b>
<b>At 31 December 2021</b>			
Trade creditors	-	5,082	5,082
Amounts owed to group undertakings	8,081,209	-	8,081,209
Accruals	338,364	-	338,364
<b>Total</b>	<b>8,419,573</b>	<b>5,082</b>	<b>8,424,655</b>

#### *Financial risk management objectives and policies*

The principal current assets of the business are cash or derivatives that may be able to be converted into cash within a short period of time. Therefore the principal financial instruments employed by the company are cash or other liquid instruments and the directors have built a management system to help the business maintain surplus cash reserves to minimise any liquidity risk on open positions. The company's income stream is derived from the company's trading activity in securities and financial instruments in regulated European markets. All positions are valued daily at market value (determined by exchange settlement price) and the gains and losses are recorded in the profit and loss account.

#### **Financial assets which are past due or impaired**

As at 31 December 2022, no financial assets classified as "fair value through profit and loss" were impaired (2021: None). As at 31 December 2022, no financial assets classified as "fair value through profit and loss" were past due but not impaired (2021: None).

# DRW GLOBAL MARKETS LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

### 17 Financial risk management objectives and policies (Continued)

#### Classification of financial instruments

The table below sets out the accounting classification of its financial assets and liabilities.

	Designated as fair value through profit & loss	Debt instruments measured at amortised cost	Total carrying value
	£	£	£
<b>At 31 December 2022</b>			
Securities and financial instruments held for trading	7,457,598	-	7,457,598
Amounts owed by group undertakings	-	39,960,887	39,960,887
	<u>7,457,598</u>	<u>39,960,887</u>	<u>47,418,485</u>

	Designated as fair value through profit & loss	Debt instruments measured at amortised cost	Total carrying value
	£	£	£
<b>At 31 December 2021</b>			
Securities and financial instruments held for trading	9,011,326	-	9,011,326
Amounts owed by clearing firms	-	66,764,685	66,764,685
Amounts owed by group undertakings	-	45	45
	<u>9,011,326</u>	<u>66,764,730</u>	<u>75,776,056</u>

Other debtors and carrying amounts owed by group undertakings have short time to maturity. For this reason, their carrying amounts at the year end approximate to their fair values.

# DRW GLOBAL MARKETS LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

#### 17 Financial risk management objectives and policies (Continued)

##### Financial liabilities

	Designated as fair value through profit & loss £	Other payables £	Total carrying value £
<b>At 31 December 2022</b>			
Securities and financial instruments held for trading	3,754,997	-	3,754,997
Amounts payable to clearing firms	-	8,674,868	8,674,868
Amounts owed to group undertakings	-	23,581	23,581
Accruals	-	756,423	756,423
	<u>3,754,997</u>	<u>9,454,872</u>	<u>13,209,869</u>

	Designated as fair value through profit & loss £	Other payables £	Total carrying value £
<b>At 31 December 2021</b>			
Securities and financial instruments held for trading	5,264,511	-	5,264,511
Trade creditors	-	5,082	5,082
Amounts owed to group undertakings	-	8,081,209	8,081,209
Accruals	-	338,364	338,364
	<u>5,264,511</u>	<u>8,424,655</u>	<u>13,689,166</u>

##### Foreign exchange risk

Foreign exchange risk is the risk that exists when an open position is denominated in a currency other than the base currency of the company. The company holds cash balances and trading positions in a number of currencies other than its base currency (GBP), and adverse changes in currency values relative to the base currency can result in losses.

##### Compliance & regulatory risk

The company is required to comply with a number of regulatory requirements in the UK and Europe as a result of trading on BATS and other European exchanges. The company ensures that these requirements are met by employing qualified personnel who understand this risk.



# DRW GLOBAL MARKETS LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

### 17 Financial risk management objectives and policies (Continued)

#### *IT risk*

Technology is integral to the day to day trade and operations of the business; therefore a technology related failure could expose the company to reputational damage and loss of revenue. In order to minimise the company's exposure, rigorous ongoing testing is performed and the IT environment is maintained by experienced personnel. A business continuity plan is also in place.

#### *Legislative/Political Risk*

A change in regulation carries the risk of making the business less profitable. The company works to anticipate changes, thereby minimising the effect on the company.

### 18 Related party transactions

#### **Transactions with related parties**

Transactions between the company and its related parties are disclosed below:

	Parent company		Other Related Parties	
	2022	2021	2022	2021
Expenses recharged to DRW Global Markets Ltd	£0	£0	£0	£350,884
Amounts owed by related parties	£0	£0	£39,960,887	£45
Amounts owed to related parties	£0	£16,384	£23,581	£8,064,825

All of the above entities are related parties as they have the same ultimate parent undertaking, DRW Holdings, LLC.

The amounts outstanding are unsecured, bear interest at a rate of 5% if not repaid within 90 days and will be settled in cash. No guarantees have been given or received. All intercompany balances are paid in a timely manner.

### 19 Ultimate controlling party

The ultimate holding company is DRW Holdings, LLC a company incorporated in Delaware, United States of America and controlled by D R Wilson Jnr. The largest and smallest group for which consolidated accounts are prepared is that headed by DRW Holdings, LLC. The registered office of DRW Holdings, LLC is; 540 West Madison Street, Suite 2500, Chicago IL 60661, USA.