

Agora-Direct Limited

Annual Report and Unaudited Financial Statements
for the Year Ended 31 December 2021

Agora-Direct Limited

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Agora-Direct Limited

Company Information

Directors	M Nowatzki A S H Din T J Ahmad
Registered office	5 Prospect Place Millennium Way Pride Park Derby DE24 8HG
Bankers	Lloyds Bank plc Ariel House 2138 Conventry Road Sheldon Birmingham B26 3JW
Accountants	Ashgates Corporate Services Limited 5 Prospect Place Millennium Way Pride Park Derby DE24 8HG

Agora-Direct Limited

Strategic Report for the Year Ended 31 December 2021

The directors present their strategic report for the year ended 31 December 2021.

Principal activity

The principal activity of the company is to offer introducing brokerage services in equity and derivative products to retail clients. The company has been authorised to carry out its business by the Financial Conduct Authority since 2015.

Fair review of the business

The company has had a difficult year with turnover reducing after several years of increase. However, the business is still well placed for significant future growth once the effects of Covid and Brexit are behind us.

The directors remain optimistic about the future opportunities and hope that growth will be back on track during 2022 and beyond.

The company's key financial and other performance indicators during the year were as follows:

Financial KPIs	Unit	2021	2020
Turnover	£	36,312	54,670
Profit before tax	£	(8,443)	10,049
Net current assets	£	32,593	43,369

Capital adequacy is monitored monthly. Regulatory Capital requirements have been met throughout the financial year ended 31 December 2021.

Objectives and policies

The Company is an introducing broker introducing retail clients to Interactive Brokers UK Ltd. and receives commissions for its services. All decision-making underlies the principle of the respectable merchant.

Principal risks and uncertainties

It is the responsibility of senior management to consider the risks facing the business and put in place measures to mitigate their impact. We have adopted the FCA model of breaking risk down into three broad sub-headings for risk: business, controls and oversight & governance. We have created a structure to ensure that these are considered and regularly reviewed.

At Agora Direct Limited we will review each quarter the risk approach of the firm to identify new issues and any trends from the management information. Additionally, we have a retained compliance consultant who will assist us to monitor key concerns of the FCA. Key to our work in this area is maintaining the good reputation of the business.

Agora-Direct Limited

Strategic Report for the Year Ended 31 December 2021

Market Risk

The company is in risk of competition.

Credit Risk

Hike in interest rates creating cash flow issues – own business and third parties – also impact on attractiveness of pricing.

Operational Risk

Process not delivering expected outcome. Language and distance under passporting.

Product Risk

Not delivering expected return on our investment.

Regulatory Risk

Complexity and change in regulation. Failure to fulfil AML or other obligations.

Environmental Risk

Legislative or taxation change.

Counterparty Risk

Failure of third party to deliver service. End of relationship with major source of new business.

Prudential Risk

Unexpected call on resources may raise capital adequacy or liquidity concerns.

Reputational Risk

Complaints or litigation having negative impact on profile of the firm.

Approved and authorised by the Board on 29 March 2022 and signed on its behalf by:

.....

M Nowatzki

Director

Agora-Direct Limited

Directors' Report for the Year Ended 31 December 2021

The directors present their report and the financial statements for the year ended 31 December 2021.

Statement of directors responsibilities

The directors acknowledge their responsibilities for preparing the Annual 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 apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; 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.

Director of the company

The directors who held office during the year were as follows:

M Nowatzki

A S H Din

T J Ahmad

Approved and authorised by the Board on 29 March 2022 and signed on its behalf by:

.....

M Nowatzki

Director

**Chartered Certified Accountants' Report to the Board of Directors on the Preparation of
the Unaudited Statutory Accounts of
Agora-Direct Limited
for the Year Ended 31 December 2021**

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the accounts of Agora-Direct Limited for the year ended 31 December 2021 as set out on pages 6 to 15 from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Association of Chartered Certified Accountants, we are subject to its ethical and other professional requirements which are detailed at <http://www.accaglobal.com/gb/en/discover/public-value/rulebook.html>.

This report is made solely to the Board of Directors of Agora-Direct Limited, as a body, in accordance with the terms of our engagement letter. Our work has been undertaken solely to prepare for your approval the accounts of Agora-Direct Limited and state those matters that we have agreed to state to the Board of Directors of Agora-Direct Limited, as a body, in this report in accordance with the requirements of the Association of Chartered Certified Accountants as detailed at <http://www.accaglobal.com/gb/en/technical-activities/technical-resources-search/2009/october/factsheet-163-audit-exempt-companies.html>. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Agora-Direct Limited and its Board of Directors as a body for our work or for this report.

It is your duty to ensure that Agora-Direct Limited has kept adequate accounting records and to prepare statutory accounts that give a true and fair view of the assets, liabilities, financial position and loss of Agora-Direct Limited. You consider that Agora-Direct Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the accounts of Agora-Direct Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory accounts.

.....
Ashgates Corporate Services Limited
5 Prospect Place
Millennium Way
Pride Park
Derby
DE24 8HG

29 March 2022

Agora-Direct Limited

Statement of Income and Retained Earnings for the Year Ended 31 December 2021

	Note	2021 £	2020 £
Turnover	<u>3</u>	36,312	54,670
Administrative expenses		<u>(44,517)</u>	<u>(44,187)</u>
Operating (loss)/profit	<u>4</u>	<u>(8,205)</u>	10,483
Interest payable and similar charges	<u>5</u>	<u>(238)</u>	<u>(434)</u>
		<u>(238)</u>	<u>(434)</u>
(Loss)/profit before tax		<u>(8,443)</u>	10,049
(Loss)/profit for the financial year		(8,443)	10,049
Retained earnings brought forward		<u>(50,631)</u>	<u>(60,680)</u>
Retained earnings carried forward		<u><u>(59,074)</u></u>	<u><u>(50,631)</u></u>

Agora-Direct Limited

(Registration number: 09349168) Balance Sheet as at 31 December 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	<u>9</u>	2,333	-
Current assets			
Debtors	<u>11</u>	5,522	5,192
Other financial assets	<u>10</u>	31,301	14,991
Cash at bank and in hand		<u>2,985</u>	<u>29,573</u>
		39,808	49,756
Creditors: Amounts falling due within one year	<u>13</u>	<u>(7,215)</u>	<u>(6,387)</u>
Net current assets		<u>32,593</u>	<u>43,369</u>
Net assets		<u>34,926</u>	<u>43,369</u>
Capital and reserves			
Called up share capital		94,000	94,000
Profit and loss account	<u>16</u>	<u>(59,074)</u>	<u>(50,631)</u>
Total equity		<u>34,926</u>	<u>43,369</u>

For the financial year ending 31 December 2021 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts have not been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

Approved and authorised by the Board on 29 March 2022 and signed on its behalf by:

.....
M Nowatzki
Director

Agora-Direct Limited

Statement of Cash Flows for the Year Ended 31 December 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
(Loss)/profit for the year		(8,443)	10,049
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	<u>4</u>	67	-
Foreign currency (gains)/losses	<u>4</u>	663	803
Finance costs	<u>5</u>	238	434
		<u>(7,475)</u>	11,286
Working capital adjustments			
(Increase)/decrease in trade debtors	<u>11</u>	(330)	58
Increase in other financial assets	<u>10</u>	(16,310)	(10,834)
Increase in trade creditors	<u>13</u>	828	1,356
Net cash flow from operating activities		<u>(23,287)</u>	1,866
Cash flows from investing activities			
Acquisitions of tangible assets	<u>9</u>	(2,400)	-
Net cash flows from investing activities		<u>(2,400)</u>	-
Cash flows from financing activities			
Interest paid	<u>5</u>	(238)	(434)
Foreign currency gains/(losses)	<u>4</u>	(663)	(803)
Net cash flows from financing activities		<u>(901)</u>	(1,237)
Net (decrease)/increase in cash and cash equivalents		(26,588)	629
Cash and cash equivalents at 1 January		29,573	28,944
Cash and cash equivalents at 31 December		<u>2,985</u>	<u>29,573</u>

Agora-Direct Limited

Notes to the Financial Statements for the Year Ended 31 December 2021

1 General information

The company is a private company limited by share capital, incorporated in England.

The address of the registered office is given in the company information on page 1 of the financial statements.

The principal place of business is Derby.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

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

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 - The Financial Reporting Standard applicable in the UK and Republic of Ireland' and Companies Act 2006.

Basis of preparation

These financial statements have been prepared using the historical cost convention.

The financial statements are presented in Sterling (£) and rounded to the nearest £1.

Going concern

The global pandemic known as Covid-19 and the end of the transition period of Brexit have continued to cause uncertainty throughout the UK and global economy. The Directors have assessed a range of potential impacts on the company, such as reduced turnover or reduced value of assets held by the business. The going concern of the business is dependent on achieving minimum income projections, as well as on the continued financial support of the shareholders.

Based on the information available at the date of approving the accounts, and considering a reasonable range of assumptions the business can continue as a going concern and the accounts have been prepared on this basis.

Revenue recognition

Turnover comprises the commission received by the company, and this is recognised, net of rebates, claw-backs and discounts, when the transaction is completed and the broker has recorded the commission as due and payable to the company.

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

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

Agora-Direct Limited

Notes to the Financial Statements for the Year Ended 31 December 2021

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference.

Tangible assets

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Computer equipment	33% straight line basis

Investments

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Financial instruments

Recognition and measurement

Financial instruments are classified and accounted for according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments.

Financial instruments included within the financial statements are initially recorded at the transaction price. These financial instruments are subsequently measured at each reporting period based on their fair value, with movement being included in the profit and loss account.

Agora-Direct Limited

Notes to the Financial Statements for the Year Ended 31 December 2021

3 Revenue

The analysis of the company's revenue for the year from continuing operations is as follows:

	2021 £	2020 £
Commissions receivable (non-regulated income)	36,312	54,670

4 Operating (loss)/profit

Arrived at after charging/(crediting)

	2021 £	2020 £
Depreciation expense	67	-
Foreign exchange losses	663	803

5 Interest payable and similar expenses

	2021 £	2020 £
Other interest payable	238	434

6 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2021 £	2020 £
Wages and salaries	19,200	19,700
Social security costs	195	-
Pension costs, defined contribution scheme	119	130
Other employee expense	1,728	-
	21,242	19,830

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows:

	2021 No.	2020 No.
Administration department	3	3

Agora-Direct Limited

Notes to the Financial Statements for the Year Ended 31 December 2021

7 Directors' remuneration

The directors' remuneration for the year was as follows:

	2021 £	2020 £
Remuneration	19,200	19,700

During the year the number of directors who were receiving benefits and share incentives was as follows:

	2021 No.	2020 No.
Accruing benefits under money purchase pension scheme	1	2

The directors are considered to be the key management of the business.

8 Taxation

Tax charged/(credited) in the income statement

	2021 £	2020 £
Current taxation		
UK corporation tax	-	-

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK (2020 - lower than the standard rate of corporation tax in the UK) of 19% (2020 - 19%).

The differences are reconciled below:

	2021 £	2020 £
(Loss)/profit before tax	(8,443)	10,049
Corporation tax at standard rate	(1,604)	1,909
Effect of expense not deductible in determining taxable profit (tax loss)	(2)	2
Effect of tax losses	-	(1,911)
Tax decrease from effect of capital allowances and depreciation	(443)	-
Tax increase from effect of unrelieved tax losses carried forward	2,049	-
Total tax charge/(credit)	-	-

Agora-Direct Limited

Notes to the Financial Statements for the Year Ended 31 December 2021

9 Tangible assets

	Computer equipment £	Total £
Cost or valuation		
Additions	2,400	2,400
At 31 December 2021	2,400	2,400
Depreciation		
Charge for the year	67	67
At 31 December 2021	67	67
Carrying amount		
At 31 December 2021	2,333	2,333

10 Other financial assets (current and non-current)

	Financial assets £	Total £
Current financial assets		
Cost or valuation		
At 1 January 2021	14,991	14,991
Movements in the year	16,310	16,310
At 31 December 2021	31,301	31,301
Carrying amount		
At 31 December 2021	31,301	31,301
At 31 December 2020	14,991	14,991

11 Debtors

	2021 £	2020 £
Other debtors	42	-
Prepayments	5,480	5,192
	5,522	5,192

Agora-Direct Limited

Notes to the Financial Statements for the Year Ended 31 December 2021

12 Cash and cash equivalents

	2021 £	2020 £
Cash at bank	2,985	29,573

13 Creditors

	2021 £	2020 £
Due within one year		
Trade creditors	2,806	1,635
Social security and other taxes	148	351
Other creditors	46	121
Accrued expenses	4,215	4,280
	7,215	6,387

14 Pension and other schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £119 (2020 - £130).

15 Share capital

Allotted, called up and fully paid shares

	2021		2020	
	No.	£	No.	£
Ordinary shares of £1 each	94,000	94,000	94,000	94,000

Rights, preferences and restrictions

Ordinary shares have the following rights, preferences and restrictions:

Each share has full rights in the company with respect to voting, dividends and distributions.

Agora-Direct Limited

Notes to the Financial Statements for the Year Ended 31 December 2021

16 Reserves

Profit and loss account

The profit and loss account represents cumulative profits and losses net of dividends and other adjustments.

17 Analysis of changes in net debt

	At 1 January 2021 £	Financing cash flows £	At 31 December 2021 £
Cash and cash equivalents			
Cash	29,573	(26,588)	2,985

18 Related party transactions

Transactions with directors

	At 1 January 2021 £	Advances to directors £	Repayments by director £	At 31 December 2021 £
2021				
Interest free loans repayable on demand	50	(10,362)	10,270	(42)

	At 1 January 2020 £	Advances to directors £	Repayments by director £	At 31 December 2020 £
2020				
Interest free loans repayable on demand	(56)	(10,030)	10,136	50

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