

Company registration number 09349168 (England and Wales)

AGORA-DIRECT LIMITED
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023



AGORA-DIRECT LIMITED

COMPANY INFORMATION

Directors	M Nowatzki A S H Din
Company number	09349168
Registered office	5 Prospect Place Millennium Way Pride Park Derby DE24 8HG
Accountants	Ashgates Corporate Services Limited 5 Prospect Place Millennium Way Pride Park Derby DE24 8HG

AGORA-DIRECT LIMITED

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AGORA-DIRECT LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

The directors present the strategic report for the year ended 31 December 2023.

Fair review of the business

The Directors are pleased to report the company has returned to profit this year. There has been an increase in turnover and cost savings have also been implemented.

The company is well placed for significant future growth and the directors remain positive about the future potential for delivering this growth in the coming years.

Key performance indicators

Capital adequacy is monitored monthly. Regulatory Capital requirements have been met for all of the financial year, including at the year end date of 31 December 2023.

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

Financial KPI's

	Unit	2023	2022
Turnover	£	35,088	31,914
Profit/(loss) before taxation	£	1,939	(11,118)
Net current assets	£	24,676	22,275

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 principal 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.

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.

AGORA-DIRECT LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

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.

On behalf of the board

MARKUS NOWATZKI

M Nowatzki

Director

19 March 2024

AGORA-DIRECT LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

The directors present their annual report and financial statements for the year ended 31 December 2023.

Principal activities

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.

Results and dividends

The results for the year are set out on page 6.

Directors

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

M Nowatzki

A S H Din

T J Ahmad

(Resigned 1 May 2023)

Medium-sized companies exemption

This report has been prepared in accordance with the provisions applicable to companies entitled to the medium-sized companies exemption.

On behalf of the board

MARKUS NOWATSKI

M Nowatzki

Director

19 March 2024

AGORA-DIRECT LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2023

The directors are responsible 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 then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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.

AGORA-DIRECT LIMITED

REPORT TO THE DIRECTORS ON THE PREPARATION OF THE UNAUDITED STATUTORY ACCOUNTS OF AGORA-DIRECT LIMITED

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Agora-Direct Limited for the year ended 31 December 2023 which comprise the statement of income and retained earnings, the balance sheet, the statement of cash flows and the related notes 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 <https://www.accaglobal.com/gb/en/member/standards/rules-and-standards/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 financial statements 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 https://www.accaglobal.com/content/dam/ACCA_Global/Technical/fact/technical-factsheet-163.pdf. 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 financial statements that give a true and fair view of the assets, liabilities, financial position and profit 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 financial statements 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 financial statements.



Ashgates Corporate Services Limited

5 Prospect Place
Millennium Way
Pride Park
Derby
DE24 8HG

19 March 2024

AGORA-DIRECT LIMITED

STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023 £	2022 £
Turnover	4	35,088	31,914
Administrative expenses		(34,088)	(43,031)
Other operating income		2,048	-
		<hr/>	<hr/>
Operating profit/(loss)	5	3,048	(11,117)
Interest payable and similar expenses	8	(1,109)	(1)
		<hr/>	<hr/>
Profit/(loss) before taxation		1,939	(11,118)
Tax on profit/(loss)	9	-	-
		<hr/>	<hr/>
Profit/(loss) for the financial year		1,939	(11,118)
Retained earnings brought forward		(70,192)	(59,074)
		<hr/>	<hr/>
Retained earnings carried forward		(68,253)	(70,192)
		<hr/>	<hr/>

AGORA-DIRECT LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2023

	Notes	2023 £	£	2022 £	£
Fixed assets					
Tangible assets	10		1,071		1,533
Current assets					
Debtors	11	5,092		5,081	
Investments	12	20,977		26,122	
Cash at bank and in hand		9,590		3,435	
		<u>35,659</u>		<u>34,638</u>	
Creditors: amounts falling due within one year	13	<u>(10,983)</u>		<u>(12,363)</u>	
Net current assets			<u>24,676</u>		<u>22,275</u>
Net assets			<u>25,747</u>		<u>23,808</u>
Capital and reserves					
Called up share capital	15		94,000		94,000
Profit and loss reserves	16		(68,253)		(70,192)
Total equity	*		<u>25,747</u>		<u>23,808</u>

These financial statements have been prepared in accordance with the provisions relating to medium-sized companies.

For the financial year ended 31 December 2023 the company was entitled to exemption from audit under section 477 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

The financial statements were approved by the board of directors and authorised for issue on 19 March 2024 and are signed on its behalf by:

MARKUS NOWATSKI

M Nowatzki
Director

Company registration number 09349168 (England and Wales)

AGORA-DIRECT LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023 £	£	2022 £	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	1		7,146		(955)
Investing activities					
Purchase of tangible fixed assets		(358)		-	
Net cash used in investing activities			(358)		-
Financing activities					
Interest paid		(1,109)		(1)	
Net cash used in financing activities			(1,109)		(1)
Net increase/(decrease) in cash and cash equivalents			5,679		(956)
Cash and cash equivalents at beginning of year			3,435		2,985
Effect of foreign exchange rates			476		1,406
Cash and cash equivalents at end of year			<u>9,590</u>		<u>3,435</u>

AGORA-DIRECT LIMITED

STATEMENT OF CASH FLOWS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

1	Cash generated from/(absorbed by) operations	2023	2022
		£	£
	Profit/(loss) for the year after tax	1,939	(11,118)
	Adjustments for:		
	Finance costs	1,109	1
	Depreciation and impairment of tangible fixed assets	820	800
	Foreign exchange gains	(476)	(1,406)
	Movements in working capital:		
	Decrease/(increase) in other financial assets	5,145	5,179
	(Increase)/decrease in debtors	(11)	441
	(Decrease)/increase in creditors	(1,380)	5,148
	Cash generated from/(absorbed by) operations	7,146	(955)
2	Analysis of changes in net debt		2023
			£
	Opening net funds		
	Cash at bank and in hand		3,435
	Changes in net debt arising from:		
	Cash flows of the entity		5,679
	Changes in market value and exchange rates		476
	Closing net funds as analysed below		9,590
	Closing net funds		
	Cash at bank and in hand		9,590

3 Accounting policies

Company information

Agora-Direct Limited is a private company limited by shares incorporated in England and Wales. The registered office is 5 Prospect Place, Millennium Way, Pride Park, Derby, DE24 8HG.

The principal place of business is Derby.

3.1 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.

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. The principal accounting policies adopted are set out below.

AGORA-DIRECT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

3 Accounting policies

(Continued)

3.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

3.3 Turnover

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.

3.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Computer equipment	33% straight line basis
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The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

3.5 Cash and cash equivalents

Cash and cash equivalents are basic financial assets 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 bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

3.6 Financial instruments

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, 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.

AGORA-DIRECT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

3 Accounting policies

(Continued)

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 estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal 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.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 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 the company's contractual obligations expire or are discharged or cancelled.

3.7 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

AGORA-DIRECT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

3 Accounting policies (Continued)

3.8 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

3.9 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

4 Turnover

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

	2023 £	2022 £
Turnover analysed by class of business		
Commissions receivable (non-regulated income)	34,286	31,573
Commissions receivable (regulated income)	802	341
	<u>35,088</u>	<u>31,914</u>

5 Operating profit/(loss)

	2023 £	2022 £
Operating profit/(loss) for the year is stated after charging/(crediting):		
Exchange gains	(476)	(1,406)
Depreciation of owned tangible fixed assets	820	800
	<u>820</u>	<u>800</u>

6 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2023 Number	2022 Number
Administration department	2	3

Their aggregate remuneration comprised:

	2023 £	2022 £
Wages and salaries	6,038	17,500
Pension costs	-	99
	<u>6,038</u>	<u>17,599</u>

AGORA-DIRECT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

7 Directors' remuneration

	2023 £	2022 £
Remuneration for qualifying services	6,038	17,500

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 0 (2022 - 1).

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

8 Interest payable and similar expenses

	2023 £	2022 £
Interest on financial liabilities measured at amortised cost:		
Other interest on financial liabilities	1,109	1

9 Taxation

The actual charge for the year can be reconciled to the expected charge/(credit) for the year based on the profit or loss and the standard rate of tax as follows:

	2023 £	2022 £
Profit/(loss) before taxation	1,939	(11,118)
Expected tax charge/(credit) based on the standard rate of corporation tax in the UK of 19.00% (2022: 19.00%)	368	(2,112)
Tax effect of utilisation of tax losses not previously recognised	(667)	-
Unutilised tax losses carried forward	-	1,960
Effect of capital allowances and depreciation	88	152
Interest	211	-
Taxation charge for the year	-	-

AGORA-DIRECT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

10 Tangible fixed assets

	Computer equipment £
Cost	
At 1 January 2023	2,400
Additions	358
	<u>2,758</u>
At 31 December 2023	<u>2,758</u>
Depreciation and impairment	
At 1 January 2023	867
Depreciation charged in the year	820
	<u>1,687</u>
At 31 December 2023	<u>1,687</u>
Carrying amount	
At 31 December 2023	<u>1,071</u>
At 31 December 2022	<u>1,533</u>

11 Debtors

	2023 £	2022 £
Amounts falling due within one year:		
Other debtors	500	499
Prepayments and accrued income	4,592	4,582
	<u>5,092</u>	<u>5,081</u>

12 Current asset investments

	2023 £	2022 £
Other financial assets	20,977	26,122
	<u>20,977</u>	<u>26,122</u>

13 Creditors: amounts falling due within one year

	2023 £	2022 £
Trade creditors	6,321	5,750
Taxation and social security	-	147
Other creditors	-	2,050
Accruals and deferred income	4,662	4,416
	<u>10,983</u>	<u>12,363</u>

AGORA-DIRECT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

14 Retirement benefit schemes

	2023	2022
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	-	99

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

15 Share capital

	2023	2022	2023	2022
	Number	Number	£	£
Ordinary share capital Issued and fully paid				
Ordinary shares of £1 each	94,000	94,000	94,000	94,000

Ordinary shares have the following rights, preferences and restrictions:
Each share has full rights in the company with respect to voting, dividends and distributions.

16 Profit and loss reserves

Profit and loss account

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

17 Operating lease commitments

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2023	2022
	£	£
Within one year	3,432	3,432
Between two and five years	2,288	5,720
	5,720	9,152

18 Directors' transactions

Description	% Rate	Opening balance £	Amounts written off £	Closing balance £
Interest free loan repayable on demand	-	2,051	(2,051)	-
		2,051	(2,051)	-