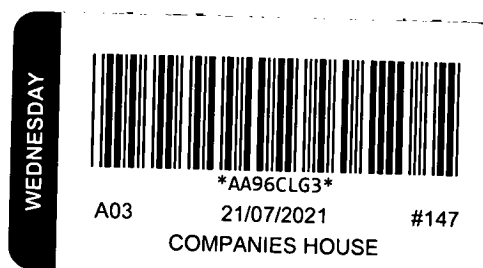


Company Registration No. 09358463 (England and Wales)

**LANDFX UK LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**



# LANDFX UK LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	J Park S Patel	(Appointed 21 July 2020)
<b>Company number</b>	09358463	
<b>Registered office</b>	1 Filament Walk London SW18 4GQ	
<b>Auditor</b>	Fisher, Sassoon & Marks 43 - 45 Dorset Street London W1U 7NA	

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# LANDFX UK LIMITED

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# LANDFX UK LIMITED

## STRATEGIC REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2020

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The directors present the strategic report for the year ended 31 December 2020.

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

The company is regulated by the United Kingdom Financial Conduct Authority. The company's main source of revenue is commission charged, based upon the volume of trades carried out by the company's clients.

During the year, the company continued to expand its client base in European and non European market. This was achieved through the use of on-line and off-line marketing campaigns.

#### **Principal risks and uncertainties**

The company continuously carries out an assessment of the risks which have the potential to have a significant negative impact on its financial performance and future business prospects. The company has a low appetite for risk.

##### Price risk:

Price risk is defined as the risk that exposures to excessive price fluctuations in positions held by the company would cause a material loss to arise. Because all client positions are hedged with Liquidity Provider, this risk is materially mitigated..

##### Credit risk:

Credit risk arises where a borrower or counterparty fail to meet their financial obligations. The main source of credit risk for the company is on deposits held at third parties. No credit is extended to clients. To mitigate this risk, all customer funds are held in a UK regulated clearing bank and the company's own funds are held across a number of European banks.

##### Cash flow risk:

Cash flow risks are that the company does not have sufficient financial resources to meet its obligations as they fall due. Under the company's business model, the only reason for this to happen would be the Liquidity Provider not being able to pay the company any amounts due, leaving the company unable to settle its obligations with its clients, or vice versa. The company has controls in place to ensure that clients do not owe more than their deposit and is given reports by Liquidity Provider which demonstrates that they are operating within their own risk parameters.

##### Liquidity risk:

The company manages its cash and borrowing requirements in order to maximise interest income and minimise interest expense, whilst ensuring the company has sufficient liquid resources to meet the operating needs of the business.

##### Foreign currency risk:

The company principal foreign currency exposures arise from trading with overseas companies. Company policy permits but does not demand that these exposures may be hedged in order to fix the cost in sterling.

#### **Key performance indicators**

Financial key performance indicators are revenue £766,199 (2019 - £469,689) and net assets which at the year end had increased to £411,471 (2019 - £385,611). The loss for the year was £8,720 (2019 - Loss of £221,167).

# LANDFX UK LIMITED

## STRATEGIC REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2020**

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### **Directors' statement of compliance with duty to promote the success of the Company**

The directors of the company have acted in a way that they consider, in good faith, would most likely promote the success of the company for the benefit of its shareholders, employees and customers as a whole, and in doing so, the directors have considered (amongst other matters):

- the likely consequences of any decision in the long term,
- the interest of the company's employees,
- the need to foster the company's business relationships with customer and others,
- the impact of the company's operations on the community and environment,
- the desirability of the company maintaining a reputation for high standards of business conduct, and
- the need to act fairly among shareholders, employees and customers of the company

On behalf of the board

.....  
J Park  
Director

..... 16/04/21

# LANDFX UK LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2020

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The directors present their annual report and financial statements for the year ended 31 December 2020.

#### Principal activities

The principal activity of the company continued to be that of Financial intermediation.

#### Results and dividends

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

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

#### Directors

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

J Park

S Patel

(Appointed 21 July 2020)

#### Post reporting date events

There are no matters to report.

#### Auditor

In accordance with the company's articles, a resolution proposing that Fisher, Sassoon & Marks be reappointed as auditor of the company will be put at a General Meeting.

#### Energy and carbon report

As the company has not consumed more than 40,000 kWh of energy in this reporting period, it qualifies as a low energy user under these regulations and is not required to report on its emissions, energy consumption or energy efficiency activities.

#### Statement of directors' responsibilities

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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

# LANDFX UK LIMITED

## DIRECTORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2020**

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### Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually 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



J Park  
Director

Date: 16/04/21

# LANDFX UK LIMITED

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LANDFX UK LIMITED

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### Opinion

We have audited the financial statements of LandFX UK Limited (the 'company') for the year ended 31 December 2020 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 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- 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 contained within the annual report. 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 our 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.



# LANDFX UK LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF LANDFX UK LIMITED

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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 and the directors' report.

We have nothing to report in respect of the following matters where 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, 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.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the financial services sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Financial Conduct Authority (FCA), Companies Act 2006, taxation legislation, data protection, anti-bribery, anti-money-laundering, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

# LANDFX UK LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF LANDFX UK LIMITED

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We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations; and
- understanding the design of the company's remuneration policies.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates as set out in note 2 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators including the FCA and reviewing the company's compliance monitoring procedures and findings.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any. Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or through collusion.

#### Use of our report

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

  
Jonathan Marks (Senior Statutory Auditor)  
For and on behalf of Fisher, Sassoon & Marks

Chartered Accountants  
Statutory Auditor

16/04/2021

43 - 45 Dorset Street  
London  
W1U 7NA

# LANDFX UK LIMITED

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2020

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	Notes	2020 £	2019 £
Turnover	3	766,199	469,689
Cost of sales		(23,029)	(11,455)
<b>Gross profit</b>		<u>743,170</u>	<u>458,234</u>
Administrative expenses		(751,890)	(679,401)
<b>Loss before taxation</b>		<u>(8,720)</u>	<u>(221,167)</u>
Tax on loss	7	34,480	55,696
<b>Profit/(loss) for the financial year</b>		<u><u>25,760</u></u>	<u><u>(165,471)</u></u>

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

# LANDFX UK LIMITED

## STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
<b>Fixed assets</b>					
Tangible assets	8		5,804		7,739
Investments	9		100		100
			<u>5,904</u>		<u>7,839</u>
<b>Current assets</b>					
Debtors	11	273,430		542,618	
Cash at bank and in hand		294,961		162,026	
		<u>568,391</u>		<u>704,644</u>	
<b>Creditors: amounts falling due within one year</b>	12	(162,824)		(326,872)	
<b>Net current assets</b>			<u>405,567</u>		<u>377,772</u>
<b>Total assets less current liabilities</b>			<u>411,471</u>		<u>385,611</u>
<b>Capital and reserves</b>					
Called up share capital	14	1,913,100		1,913,000	
Profit and loss reserves		(1,501,629)		(1,527,389)	
<b>Total equity</b>			<u>411,471</u>		<u>385,611</u>

The financial statements were approved by the board of directors and authorised for issue on 16/04/21 and are signed on its behalf by:

J Park  
Director

Company Registration No. 09358463

# LANDFX UK LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	Share capital £	Profit and loss reserves £	Total £
<b>Balance at 1 January 2019</b>		1,913,000	(1,361,918)	551,082
<b>Year ended 31 December 2019:</b>				
Loss and total comprehensive income for the year		-	(165,471)	(165,471)
<b>Balance at 31 December 2019</b>		1,913,000	(1,527,389)	385,611
<b>Year ended 31 December 2020:</b>				
Profit and total comprehensive income for the year		-	25,760	25,760
Issue of share capital	14	100	-	100
<b>Balance at 31 December 2020</b>		1,913,100	(1,501,629)	411,471

# LANDFX UK LIMITED

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
<b>Cash flows from operating activities</b>					
Cash generated from/(absorbed by) operations	19		67,815		(109,325)
Income taxes refunded			55,696		49,166
			<u>          </u>		<u>          </u>
<b>Net cash inflow/(outflow) from operating activities</b>			123,511		(60,159)
<b>Investing activities</b>					
Receipts arising from loans made		9,324		-	
		<u>          </u>		<u>          </u>	
<b>Net cash generated from/(used in) investing activities</b>			9,324		-
<b>Financing activities</b>					
Proceeds from issue of shares		100		-	
		<u>          </u>		<u>          </u>	
<b>Net cash generated from/(used in) financing activities</b>			100		-
			<u>          </u>		<u>          </u>
<b>Net increase/(decrease) in cash and cash equivalents</b>			132,935		(60,159)
Cash and cash equivalents at beginning of year			162,026		222,185
			<u>          </u>		<u>          </u>
<b>Cash and cash equivalents at end of year</b>			294,961		162,026
			<u>          </u>		<u>          </u>

# LANDFX UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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### 1 Accounting policies

#### Company information

LandFX UK Limited is a private company limited by shares incorporated in England and Wales. The registered office is 1 Filament Walk, London, SW18 4GQ.

#### 1.1 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, modified to include certain financial instruments at fair value. The principal accounting policies adopted are set out below.

#### 1.2 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.

#### 1.3 Turnover

Turnover is measured at net consideration received / paid on all realised positions and net fair market value of open CFD positions with clients and all other counterparties, including overnight charges and credits.

The recognition of income results directly from the recognition on financial assets and liabilities on an aggregate basis by each asset class determine the net gain or loss for that asset class in accordance with FRS 102 section 11.48. CFD positions are viewed as a single asset class.

#### 1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, 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:

Fixtures, fittings & equipment	Straight line over 3 years
Motor vehicles	25% Reducing Balance

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.

#### 1.5 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

# LANDFX UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2020

---

#### 1 Accounting policies

(Continued)

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Entities in which the company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

#### 1.6 Impairment of fixed assets

At each reporting date fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss. If an impairment loss subsequently reverses, the carry amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 1.7 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.

#### 1.8 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 in the company's statement of financial position 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 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.



# LANDFX UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

### 1 Accounting policies

(Continued)

#### **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.

#### **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.

#### **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 creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

# LANDFX UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

---

### 1 Accounting policies

(Continued)

#### **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.

### 1.9 Equity instruments

Equity instruments issued by the company are recorded at the 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.

### 1.10 Derivatives

Derivatives are initially recognised at fair value at the date a derivative 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 unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

### 1.11 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 income statement 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.

# LANDFX UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

### 1 Accounting policies

(Continued)

#### **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.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

#### **1.12 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.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### **1.13 Retirement benefits**

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

#### **1.14 Foreign exchange**

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

#### **1.15 Client money**

The Company holds money on behalf of clients in accordance with the client money rules of its regulator. Client monies held in segregated bank and settlement accounts in accordance with regulations and the corresponding liabilities to these clients are not recognised in the Balance Sheet. At 31 December 2020, amounts held by the Company on behalf of clients in accordance with the Client Assets Rules of the Financial Conduct Authority amounted to £198 (2019: £198).

### 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.

# LANDFX UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

### 3 Turnover and other revenue

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

	2020 £	2019 £
<b>Turnover analysed by class of business</b>		
Commission	766,199	469,689

	2020 £	2019 £
<b>Turnover analysed by geographical market</b>		
United Kingdom	766,199	469,689

### 4 Operating loss

	2020 £	2019 £
Operating loss for the year is stated after charging:		
Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss	4,758	1,813
Fees payable to the company's auditor for the audit of the company's financial statements	16,200	15,600
Depreciation of owned tangible fixed assets	1,935	3,243

Exchange differences recognised in the profit or loss during the year, except for those arising on financial instruments measured at fair value through profit or loss, amounted to £4,758 (2019: £1,813).

### 5 Employees

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

	2020 Number	2019 Number
Administration/management	2	2
Sales	2	2
Total	4	4

# LANDFX UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

### 5 Employees (Continued)

Their aggregate remuneration comprised:

	2020 £	2019 £
Wages and salaries	285,435	238,548
Social security costs	38,018	29,464
Pension costs	10,440	3,855
	<u>333,893</u>	<u>271,867</u>

### 6 Directors' remuneration

	2020 £	2019 £
Remuneration for qualifying services	179,817	103,596
Company pension contributions to defined contribution schemes	6,175	1,188
	<u>185,992</u>	<u>104,784</u>

### 7 Taxation

	2020 £	2019 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	(34,480)	(55,696)

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

	2020 £	2019 £
Loss before taxation	<u>(8,720)</u>	<u>(221,167)</u>
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	(1,657)	(42,022)
Tax effect of expenses that are not deductible in determining taxable profit	-	400
Unutilised tax losses carried forward	-	9,636
Effect of change in corporation tax rate	10,701	17,286
Permanent capital allowances in excess of depreciation	(296)	(361)
Depreciation on assets not qualifying for tax allowances	368	616
Research and development tax credit	(43,596)	(41,251)
Taxation credit for the year	<u>(34,480)</u>	<u>(55,696)</u>

# LANDFX UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2020

#### 7 Taxation

(Continued)

The company has estimated losses of £1,203,491 (2019 - £1,203,491) available for carry forward against future trading profits.

#### 8 Tangible fixed assets

	Fixtures, fittings & equipment £	Motor vehicles £	Total £
<b>Cost</b>			
At 1 January 2020 and 31 December 2020	9,435	19,139	28,574
<b>Depreciation and impairment</b>			
At 1 January 2020	9,435	11,400	20,835
Depreciation charged in the year	-	1,935	1,935
At 31 December 2020	9,435	13,335	22,770
<b>Carrying amount</b>			
At 31 December 2020	-	5,804	5,804
At 31 December 2019	-	7,739	7,739

#### 9 Fixed asset investments

	Notes	2020 £	2019 £
Investments in subsidiaries	10	100	100

#### Movements in fixed asset investments

	Shares in group undertakings £
<b>Cost or valuation</b>	
At 1 January 2020 & 31 December 2020	100
<b>Carrying amount</b>	
At 31 December 2020	100
At 31 December 2019	100

#### 10 Subsidiaries

Details of the company's subsidiaries at 31 December 2020 are as follows:

# LANDFX UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

### 10 Subsidiaries

(Continued)

Name of undertaking	Registered office	Class of shares held	% Held Direct
OKCOIN EU LTD	United Kingdom	Ordinary	100.00

The aggregate capital and reserves and the result for the year of the subsidiaries noted above was as follows:

Name of undertaking	Capital and Reserves £	Profit/(Loss) £
OKCOIN EU LTD	100	-

Okcoin EU Ltd was dormant during the year and was dissolved in January 2021.

### 11 Debtors

	2020 £	2019 £
<b>Amounts falling due within one year:</b>		
Trade debtors	-	80,000
Corporation tax recoverable	34,480	55,696
Other debtors	238,950	406,922
	<u>273,430</u>	<u>542,618</u>

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

	2020 £	2019 £
Other creditors	141,534	309,815
Accruals and deferred income	21,290	17,057
	<u>162,824</u>	<u>326,872</u>

### 13 Retirement benefit schemes

	2020 £	2019 £
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	<u>10,440</u>	<u>3,855</u>

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.

# LANDFX UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

### 14 Share capital

	2020 Number	2019 Number	2020 £	2019 £
<b>Ordinary share capital</b>				
<b>Issued and fully paid</b>				
Ordinary of £1 each	1,913,100	1,913,000	1,913,100	1,913,000

During the year the company issued 100 ordinary shares of £1 each at par, to provide additional working capital for the business.

### 15 Events after the reporting date

There are no matters to report.

### 17 Directors' transactions

At the year end the company owed the director Mr. J Park £575 (2019 - the director owed to the company £9,324 ), which is interest free and unsecured..

### 18 Ultimate controlling party

The ultimate controlling party is Mr J Park by virtue of his shareholding in the company.

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

	2020 £	2019 £
Profit/(loss) for the year after tax	25,760	(165,471)
<b>Adjustments for:</b>		
Taxation credited	(34,480)	(55,696)
Depreciation and impairment of tangible fixed assets	1,935	3,243
<b>Movements in working capital:</b>		
Decrease/(increase) in debtors	238,648	(151,510)
(Decrease)/increase in creditors	(164,048)	260,109
<b>Cash generated from/(absorbed by) operations</b>	<b>67,815</b>	<b>(109,325)</b>

### 20 Analysis of changes in net funds

	1 January 2020 £	Cash flows £	31 December 2020 £
Cash at bank and in hand	162,026	132,935	294,961



# LANDFX UK LIMITED

## CAPITAL REQUIREMENTS DIRECTIVE PILLAR 3 DISCLOSURE FOR THE YEAR ENDED 31 DECEMBER 2020

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### Capital requirements directive Pillar 3 disclosure

#### Verification

This information has not been audited by the Company's external auditors and does not constitute any form of financial statement and must not be relied upon in making any judgement on LandFX UK Limited.

#### Introduction

##### *Regulatory Context*

The Capital Requirements Directive ('the Directive') of the European Union establishes a revised regulatory capital framework across Europe governing the amount and nature of capital that must be maintained by credit institutions and investment firms. In the United Kingdom, the Directive has been implemented by the Financial Conduct Authority ('FCA') in its regulations through the General Prudential Sourcebook ('GENPRU') and the Prudential Sourcebook for Investment Firms ('IFPRU').

##### *Frequency*

The Firm will be making Pillar 3 disclosures annually. The disclosures will be as at the Accounting Reference Date ("ARD") which is currently 31 December.

##### *Media and Location*

The disclosure is published only in our Accounts and will be available from the Registered office on request.

##### *Materiality*

The Firm regards information as material in disclosures if its omission or misstatement could change or influence the assessment or decision of a user relying on that information for the purpose of making economic decisions. If the Firm deems a certain disclosure to be immaterial, it may be omitted from this statement.

##### *Risk Management*

The Firm is mindful of the FCA's comments regarding confidentiality and of the comment that both qualitative and quantitative data must be disclosed.

As such, the Firm's policy is to disclose that information required under the FCA Rules but to treat further information as proprietary if sharing that information with the public would undermine its competitive position. Proprietary information may include information on products or systems which, if shared with competitors, would render the Firm's investments therein less valuable. Further, the Firm will regard information as confidential if there are obligations to customers or other counterparty relationships binding the Firm to confidentiality. In the event that any such information is omitted, we shall disclose such and explain the grounds why it has not been disclosed.

The new FCA framework consists of three pillars. Pillar 1 deals with minimum capital requirements; Pillar 2 deals with Internal Capital Adequacy Assessment Process ("ICAAP") undertaken by a firm and the Supervisory Review and Evaluation Process through which the firm and regulator satisfy themselves on the adequacy of capital held by the Firm in relation to the risks it faces and; Pillar 3 which deals with public disclosure of risk management policies, capital resources, capital requirements and remuneration policy. The regulatory aim of the disclosure is to improve market discipline and transparency.

The Firm is a limited license firm primarily acts in an execution only capacity in that no specific advice is given to client. It acts solely as agent on behalf of clients and does not undertake proprietary trading.

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# LANDFX UK LIMITED

## CAPITAL REQUIREMENTS DIRECTIVE PILLAR 3 DISCLOSURE (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

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The Firm's key risks have been identified and grouped as either market, credit, business or operational risks. The Firm has assessed these risks in its ICAAP and has set out appropriate actions to manage them.

### *Market Risk*

As a Matched Principal Broker Firm, we are not required to have a trading book. Our potential exposures are non-trading book exposures to foreign currency assets or liabilities held on our balance sheet.

Foreign currency position risk required @ 8%. Risk weighted exposure amount £5,600. Whilst the firms fees may sometimes be in foreign currencies these are converted to sterling upon receipt thus ensuring we are not exposed to any material currency risk on the balance sheet of the Company.

### *Credit Risk and counter party Credit Risk*

The Firm's principal exposure to credit risk is the risk that fees cannot be collected and the exposure to banks where cash held is deposited.

The Firm holds all cash with Banks assigned high credit ratings. Consequently risk of past due or impaired exposures is minimal. The firm's business model utilise client settlement accounts held under trust with counterparties reducing the risk of CCR in the event of a counterparty defaulting.

### *Business risk*

By its nature a broke firm has a higher business risk than some other types of business. However within this context the Firm again has a conservative business risk appetite.

Currently the Firm has a simple business strategy and the main business risk is the loss of client business.

### *Operational Risk*

This incorporates the advisory processes undertaken as well as the regulatory and contingency planning done at the Firm level. Our operational risk appetite is conservative and, as a result, we invest to mitigate such risks.

Our staffing levels also provide a level of contingency cover in all critical business areas.

The Firm has documented contingency planning and disasters recovery procedures and these are regularly reviewed and tested.

We also aim to keep all aspects of our operations as simple as possible.

## **Corporate Background**

### *The Firm*

The Firm is incorporated in the UK and is authorised and regulated by the FCA. The Firm's activities give it the IFPRU categorisation of a "Limited Licence" and a "IFPRU €125K" firm.

As a Limited Licence Firm we are considered a Proportionality tier three firm for the purposes of the FCA's Remuneration Code.

The Firm is not a member of a UK Consolidation Group and as such this document covers the Firm on a solo basis.

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# LANDFX UK LIMITED

## CAPITAL REQUIREMENTS DIRECTIVE PILLAR 3 DISCLOSURE (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

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### **Risk Management and Risk Categories**

For its Pillar 1 regulatory capital calculation of Credit Risk, under the credit risk capital component the Firm has adopted the Standardised approach and calculating risk weights.

Credit Risk calculation @ 31 December 2020.

Credit Risk Requirement £18,000.

#### *Risk Management Objective*

The Firm has a risk management objective to develop systems and controls to mitigate risk to within its conservative risk appetite.

#### *Governance Framework*

The Managing Board of LandFX UK Limited meets informally on a weekly basis and formally on a quarterly basis.

#### *Risk Framework*

The Managing Board is responsible for risk management and reviews the effectiveness of the Firm's system of internal controls to manage and mitigate the risks identified.

### **Overall Pillar 2 Rule**

The Firm has adopted the "Structured" approach to the calculation of its ICAAP Capital Resources Requirement as outlined in the Committee of European Banking Supervisors Paper, 25 January 2006.

The ICAAP is reviewed by the Managing Board of the Firm annually, or when a material change to the business occurs.

#### *Disclosure: Credit Risk and Dilution Risk*

The Firm is primarily exposed to Credit Risk from the risk of non-collection of fees and the exposure to banks where cash held is deposited.

The Firm holds all cash with an A rated UK bank.

See above (Capital Requirement) for calculation of credit risk as at 31 December 2020.

#### *Operational Risk: £156,500*

The Firm's Fixed Overhead Requirement (FOR) is disclosed as a proxy for the Pillar 1 Operational Risk Capital calculation. The Firm's Pillar 1 Capital Resources Requirement is the higher of FOR/the sum of Market Risk and Credit Risk Requirement.

#### *Fixed Overhead Requirement*

156,500

#### *Disclosures: Exposures to Interest Rate Risk in the Non-Trading Book*

Although the Firm has substantial cash balances on its Balance Sheet, there is currently no significant exposure to Interest Rate fluctuations.

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# **LANDFX UK LIMITED**

## **CAPITAL REQUIREMENTS DIRECTIVE PILLAR 3 DISCLOSURE (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020**

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### **Disclosures: Remuneration**

The FCA defines Remuneration Code Staff ("Code Staff") in SYSC 19A.3.4 as senior management, risk takers, staff engaged in control functions and any employee receiving total remuneration that takes them into the same remuneration bracket as those detailed above, whose professional activities have a material impact on the firm's risk profile.

The Firm has decided to treat all Directors as Code Staff.

The Managing Board will consider the need to add any new joiners to the list of Remuneration Code Staff during the year.

### **Application**

Based on the Firm's profile we have defined ourselves as a Proportionality Tier Three investment firm ("Tier Three Firm") and adopted a proportioned approach to our remuneration policy. We have considered our individual needs on an ongoing basis and where appropriate disapplied certain provisions in accordance with FCA and CEBS/EBA guidance. The Managing Board will review any provisions which have been disapplied on at least an annual basis, to ensure that it continues to be appropriate.

### **Information concerning the decision-making process**

Due to the size of the Company, we do not consider it appropriate to have a separate remuneration committee. Instead this function is undertaken by the Managing Board. This will be kept under review and should the need arise, the Company will consider amending this arrangement to provide greater independent review.

The Directors are members of the Managing Board and also jointly have an equal voting interest in the Company.

The Managing Board of LandFX UK Limited is responsible for ensuring that the remuneration policy is developed to align with its risk tolerance. No external consultants assisted in this review. Any person with a question regarding the policy or disclosures made under this policy should refer to the Directors who are members of the Managing Board.

### **Information on the link between pay and performance**

A key objective in utilising the Company's structure was to align the interests of the directors with the overall goal of achieving the best performance over the long-term for the Company.

### **Aggregate Value of Directors salaries for period to 31 December 2020**

Based on the profile of the Company we consider we have one business area, market principal broker and all Directors, as Code Staff, have responsibilities that typically fall within job titles FCA guidance indicated would suggest they are senior personnel whose role impacts the risk profile of the Company.

As such, to comply with the FCA remuneration disclosure requirement, we disclose, as per the audited accounts of the Firm, the total Directors salaries which, for the period to 31 December 2020 was £179,817

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