

**TRADING POINT OF FINANCIAL  
INSTRUMENTS UK LIMITED**

**ANNUAL REPORT AND FINANCIAL  
STATEMENTS**

**FOR THE YEAR ENDED  
31 DECEMBER 2022**

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# TRADING POINT OF FINANCIAL INSTRUMENTS UK LIMITED

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## ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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# TRADING POINT OF FINANCIAL INSTRUMENTS UK LIMITED

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## BOARD OF DIRECTORS AND OTHER OFFICERS

**Board of Directors:** Andreas Loizides  
Marios Papapostolou  
Bilal Waheed  
Rishi Zaveri

**Company Secretary:** Marios Papapostolou

**Independent Auditors:** Buzzacott LLP,  
130 Wood Street,  
London,  
EC2V 6DL

**Registered office:** Coppergate House,  
Whites Row,  
London, England,  
E1 7NF

**Registration number:** 09436004

# TRADING POINT OF FINANCIAL INSTRUMENTS UK LIMITED

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## STRATEGIC REPORT

The Board of Directors of Trading Point of Financial Instruments UK Limited (the "Company") presents its strategic report for the year ended 31 December 2022.

### Principal activities

The principal activities of the Company comprise the provision of online trading delivered through the Company's trading platform. The Company enables retail customers to trade global over-the-counter CFDs (Contract for Difference) on currency pairs, equities, indices and commodities markets. The Company acts as the counterparty to all trades entered into by its clients. The Company receives commission income from its related group entity Trading Point of Financial Instruments Ltd ("TPFIL") based on the total trading volume of all its clients' trading activity.

### Review of the business and its performance

The directors of the Company have assessed the most significant risks affecting the business as well as the wider market that the Company operates in, which may impact the profitability and thus the cash position of the Company. The Company's Key Performance Indicators (KPIs) that are reviewed and assessed by the directors of the Company are the Company's revenue and its liquidity ability. Revenue from operations during the year increased to £1,054,038 (2021: £705,077) resulting mainly from the increase in intercompany revenue (Note 16.1).

The Company's Net Asset position fell to £1,372,461 (2021: £2,464,244) and this was due to the losses incurred during the year. The decrease in the Net Asset position, was mainly evident in the cash and cash equivalents reserves of the Company which decreased to £1,478,331 (2021: £2,559,297). The available cash reserves still indicate the Company's ability to cover its obligations as they fall due. Management remains vigilant on the cash position of the Company on a regular basis to ensure that it has the liquidity to operate.

### Section 172 statement

The Board of Directors confirm that they have acted in the best interests of the Company's members as a whole (as identified in s172 (1)(a-f)) in relation to the decisions taken during the year ended 31 December 2022.

One of the Company's key goals is to continue providing the highest level of service to its customers while also providing competitive solutions. All the decisions that were taken by the Board during the year, are aimed at supporting its vision in the long term.

The performance of the Company is closely monitored on an ongoing basis by the Directors of the Company. At the same time, the senior management is considering ways to enhance brand recognition in order to strengthen its market presence in the United Kingdom. The Directors have taken steps to enhance the Company's capital and liquidity position to prepare for its future strategic plan.

Our workforce is our most valuable asset. The Board of Directors would therefore like to thank the Company's highly skilled and well-trained employees who play an integral part in the Company's success. Personal development of our employees is a key pillar of the Company's strategy. We aim to be a responsible employer in our approach to the pay and benefits of employees. The health, safety and wellbeing of our employees is one of the primary considerations in the way we do business.

Since March 2020 the staff have been working remotely from the safety of their homes, seamlessly, whilst still being able to meet all regulatory requirements and continue serving the clients with an exceptional quality. In 2022 the Company has introduced a hybrid working scheme, where employees can work flexibly from the office for an agreed number of days.

### Principal risks and uncertainties

As a result of its daily operations and the industry in which the Company operates, it exposes itself into a variety of risks, for which constant monitoring is required in order to be maintained at an acceptable level. The principal risks faced by the Company are analysed below, in addition to the ones (Market, Credit and Liquidity risk) which are analysed in greater depth together with financials in Note 4 of these Financial Statements.

#### Operational Risk

Operational risk is the risk that derives from the deficiencies relating to the Company's information technology and control systems as well as the risk of human error and natural disasters.

# TRADING POINT OF FINANCIAL INSTRUMENTS UK LIMITED

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## STRATEGIC REPORT (continued)

### Operational Risk

The Company initially devotes significant resources each year to ensure that its systems are evaluated, maintained and upgraded continuously. In addition, daily backups are being created on servers established outside the offices to be able to carry its core operations in cases of unforeseen events. Also, one of its policies is to have several providers for the same service, so that in case of default by one, an alternative will exist. Lastly, a hierarchy is maintained at all of the Company's departments to limit the possibility of a human error being made without being noticed.

In the year, several sanctions were imposed to Russia however the Company does not serve clients, nor does it have any relationships with Russia and as a result its performance has not been affected from these sanctions. The directors remain cautious to the adverse macroeconomic conditions and are monitoring closely the associated risks.

### Litigation Risk

Litigation risk is the risk of financial loss, interruption of the Company's operations or any other undesirable situation that arises from the possibility of non-execution or violation of legal contracts and consequentially of lawsuits. The risk is restricted through the contracts used by the Company to execute its operations as well as from the fact that it engages with reputable lawyers for advice and support.

### Reputation Risk

One of the most important factors in attracting clients in our sector is the reputation that each company has and how it is perceived. The Company takes good care in safeguarding and maintaining its brand reputation. The loss of reputation arising from the negative publicity relating to the Company's operations (whether true or false) may result in a reduction of its clientele, reduction in revenue and legal cases against the Company.

### Compliance Risk

Compliance risk is the risk of financial loss, including fines and other penalties, which arise from non-compliance with applicable laws and regulations. With the continuously evolving regulatory landscape the Company is obliged to follow all the directives and guidance's issued from time to time. The risk is limited to a significant extent due to the supervision applied daily by the Compliance Department, as well as the Company's monitoring systems and controls.

In addition, each staff member undergoes the relevant training to ensure that they are aware of the new rules to be followed. All senior management should be aware and in line with their roles and responsibilities in the Company. Lastly, the senior management, undergoes a regular comprehensive monitoring of the Company's operations to identify and resolve any deficiencies.

### **Regulation**

The FCA has introduced the UK Investment Firms Prudential Regime (IFPR), which came into force in January 2022, and the Company is subject to. The IFPR impacts prudential reporting, disclosures as well as the calculation method of capital and liquidity requirements.

In July 2022, FCA has set out the final rules and guidance for a new Consumer Duty. The rules and guidance will come into force on a phased basis on 31 July 2023 and on 31 July 2024. The Company is following the rules and consultations of the FCA on regulatory updates and has the capability and resources to adapt to these.

### **Adjusting events after the balance sheet date**

There were no adjusting events after the balance sheet date and until the date of signing of this report, which could cause doubts on the going concern of the Company and require a separate disclosure.

On behalf of the Board



.....  
Andreas Loizides  
Director  
London, 26 April 2023

# TRADING POINT OF FINANCIAL INSTRUMENTS UK LIMITED

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## BOARD OF DIRECTORS REPORT

The Board of Directors of Trading Point of Financial Instruments UK Limited (the "Company") presents to the members, its annual report together with the audited financial statements of the Company, for the year ended 31 December 2022.

### Principal risks and uncertainties

The principal risks and uncertainties faced by the Company are disclosed in the Strategic Report and in note 4 of the financial statements.

### Expected future developments of the Company

The Board of Directors do not expect major changes in the principal activities of the Company for the foreseeable future.

### Dividends

During the year ended 31 December 2022, the Company did not distribute any dividends (2021: Nil).

### Board of Directors

The members of the Company's Board of Directors as at 31 December 2022 and at the date of this report are presented on page 2. There were no other directors in office during the year.

In accordance with the Company's Articles of Association all Directors presently members of the Board continue in office.


Each of the persons who are directors at the time when this report is approved has confirmed that:

- (a) so far as each director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- (b) that each director has taken all the steps that ought to have been taken as a director including making appropriate enquiries of the Company's auditors for that purpose, in order to be aware of any information needed by the Company's auditors in connection with preparing their report and to establish that the Company's auditors are aware of that information.

### Independent Auditors

The Independent Auditors, Buzzacott LLP, have been appointed as the Company's new auditors after the mutual termination of services with BDO LLP. A resolution giving authority to the Board of Directors to fix their remuneration will be submitted at the forthcoming Board meeting.

By order of the Board of Directors,



.....  
Andreas Loizides  
Director  
London, 26 April 2023

# TRADING POINT OF FINANCIAL INSTRUMENTS UK LIMITED

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## Statement of directors' responsibilities

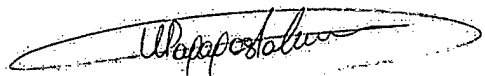
The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the Company financial statements in accordance with UK-adopted international accounting standards. 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 for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether the applicable UK-adopted international accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 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. 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.

By order of the Board of Directors,



Marios Papapostolou  
Company Secretary  
26 April 2023

**Independent auditor's report to the members of Trading Point of Financial Instruments UK Limited**  
for the year ended 31 December 2022

## **Opinion**

We have audited the financial statements of Trading Point of Financial Instruments UK Limited for the year ended 31 December 2022 which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of changes in equity, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Accounting Standards (IASs) as adopted by the United Kingdom.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with IASs as adopted by the United Kingdom; 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 United Kingdom, including the Financial Reporting Council'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.



## **Independent auditor's report to the members of Trading Point of Financial Instruments UK Limited (continued)**

### **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Board of Directors report and the Strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Board of Directors report and the Strategic report have been prepared in accordance with applicable legal requirements.

### **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 Board of Directors report or the Strategic report.

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

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

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, 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.

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:

## **Independent auditor's report to the members of Trading Point of Financial Instruments UK Limited (continued)**

### **Auditor's responsibilities for the audit of the financial statements (continued)**

#### *How the audit was considered capable of detecting irregularities including fraud*

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the Senior Statutory Auditor ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations, including knowledge specific to auditing investment brokerage businesses;
- we made enquiries of management as to where they considered there was susceptibility to fraud, and their knowledge of actual, suspected and alleged fraud;
- we identified the laws and regulations that could reasonably be expected to have a material effect on the financial statements through discussions with directors and other management at the planning stage, and from our knowledge and experience of investment brokerage businesses;
- the audit team held a discussion to identify any particular areas that were considered to be susceptible to misstatement, including with respect to fraud and non-compliance with laws and regulations; and
- we focused our planned audit work 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 Companies Act 2006, The Financial Services and Markets Act 2000, employment legislation, and taxation legislation.

We assessed the extent of compliance with the laws and regulations identified above through:

- making enquiries of management; and
- inspecting legal expenditure and correspondence throughout the year for any potential litigation or claims; and
- considering the internal controls in place that are designed to mitigate risks of fraud and non-compliance with laws and regulations.

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

- determined the susceptibility of the company to management override of controls by checking the implementation of controls and enquiring of individuals involved in the financial reporting process; and
- reviewed journal entries throughout the year to identify unusual transactions, particularly in relation to expenditure;
- performed analytical procedures to identify any large, unusual or unexpected transactions and investigated any large variances from the prior period;
- reviewed accounting estimates and evaluated where judgements or decisions made by management indicated bias on the part of the company's management;
- carried out substantive testing to check the occurrence and cut-off of expenditure; and
- tested the completeness and occurrence of revenue by comparing reports generated by the business reporting tool (which is integrated with the trading platform) to entries in the nominal ledger.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included:

- agreeing financial statement disclosures to underlying supporting documentation;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, the Financial Conduct Authority and the company's legal advisors.

# Buzzacott

## **Independent auditor's report to the members of Trading Point of Financial Instruments UK Limited (continued)**

### **Auditor's responsibilities for the audit of the financial statements (continued)**

There are inherent limitations in our audit procedures described above. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error as they may involve deliberate concealment or collusion. 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.

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

### **Use of our report**

This report is made solely to the company's members, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's member 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 member, for our audit work, for this report, or for the opinions we have formed.

Buzzacott LLP

Jonathan West (Senior statutory auditor) for  
and on behalf of  
**Buzzacott LLP**  
Statutory Auditor  
130 Wood Street  
London  
EC2V 6DL  
26 April 2023

## TRADING POINT OF FINANCIAL INSTRUMENTS UK LIMITED

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

	Note	2022 £	2021 £
<b>Revenue</b>	6	<b>1,054,038</b>	705,077
Operating Expenses	7	<u>(2,271,915)</u>	<u>(1,804,767)</u>
<b>Operating loss</b>		<b>(1,158,982)</b>	(1,099,690)
Net finance income / (expense)	9	<u>67,199</u>	<u>(68,481)</u>
<b>Loss before tax</b>		<b>(1,091,783)</b>	(1,168,171)
Income tax	10	<u>-</u>	<u>2,267</u>
<b>Loss for the year</b>		<b>(1,091,783)</b>	(1,165,904)

All amounts relate to continuing operations.

There was no other comprehensive income for 2022 or 2021.

# TRADING POINT OF FINANCIAL INSTRUMENTS UK LIMITED

## STATEMENT OF FINANCIAL POSITION

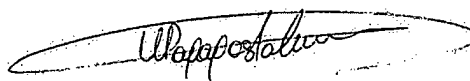
As at 31 DECEMBER 2022

	Note	2022 £	2021 £
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	11	13,269	12,372
<b>Total non-current assets</b>		<b>13,269</b>	<b>12,372</b>
<b>Current assets</b>			
Trade and other receivables	12	98,042	27,637
Cash and cash equivalents	13	1,478,331	2,559,297
<b>Total current assets</b>		<b>1,576,373</b>	<b>2,586,934</b>
<b>TOTAL ASSETS</b>		<b>1,589,642</b>	<b>2,599,306</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity and reserves</b>			
Share capital	14	1,500,000	1,500,000
Retained earnings		(127,539)	964,244
<b>Total equity</b>		<b>1,372,461</b>	<b>2,464,244</b>
<b>Current liabilities</b>			
Trade and other payables	15	217,181	135,062
Current tax liabilities		-	-
<b>Total liabilities</b>		<b>217,181</b>	<b>135,062</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,589,642</b>	<b>2,599,306</b>

On 26 April 2023, the Board of Directors of Trading Point of Financial Instruments UK Limited (Company Number: 09436004) authorised these financial statements for issue. They were signed on their behalf by:



.....  
Andreas Loizides  
Director



.....  
Marios Papapostolou  
Director

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

## TRADING POINT OF FINANCIAL INSTRUMENTS UK LIMITED

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

	Share capital £	Retained earnings £	Total £
<b>Balance at 1 January 2021</b>	<b>1,500,000</b>	<b>2,130,148</b>	<b>3,630,148</b>
<b>Comprehensive income</b>			
Total comprehensive loss for the year	-	(1,165,904)	(1,165,904)
<b>Balance at 31 December 2021/ 1 January 2022</b>	<b>1,500,000</b>	<b>964,244</b>	<b>2,464,244</b>
<b>Comprehensive income</b>			
Total comprehensive loss for the year	-	(1,091,783)	(1,091,783)
<b>Balance at 31 December 2022</b>	<b>1,500,000</b>	<b>(127,539)</b>	<b>1,372,461</b>

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

# TRADING POINT OF FINANCIAL INSTRUMENTS UK LIMITED

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 £	2021 £
<b>Cash flows from operating activities</b>			
<b>Loss before income tax</b>		<b>(1,091,783)</b>	<b>(1,168,171)</b>
Adjustments for:			
Depreciation and amortisation expense		4,476	9,597
Interest Income		(243)	(68)
Interest expense		437	718
		<b>(1,078,113)</b>	<b>(1,157,924)</b>
<b>Operating cash flows before movements in working capital:</b>			
(Increase)/Decrease in trade and other receivables		(70,405)	8,133
Decrease/ (Increase) in trade and other payables		82,119	(30,762)
<b>Net cash generated used in operating activities</b>		<b>(1,075,399)</b>	<b>(1,180,553)</b>
Tax refund		-	28,013
Interest paid		(439)	(718)
<b>Net cash generated from operating activities</b>		<b>(1,075,838)</b>	<b>(1,153,258)</b>
<b>Cash flows from investing activities</b>			
Acquisition of property and equipment		(5,373)	(9,329)
Interest received		244	68
<b>Net cash (used in) / from investing activities</b>		<b>(5,129)</b>	<b>(9,261)</b>
<b>Net increase/(decrease)in cash and cash equivalents</b>		<b>(1,080,967)</b>	<b>(1,162,519)</b>
<b>FX movement on cash and cash equivalent</b>		<b>1</b>	<b>(1)</b>
Cash and cash equivalents at beginning of the year		2,559,297	3,721,817
<b>Cash and cash equivalents at end of the year</b>		<b>1,478,331</b>	<b>2,559,297</b>

As at 31 December 2022, the Company had no borrowings.

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

# TRADING POINT OF FINANCIAL INSTRUMENTS UK LIMITED

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## 1. Incorporation and principal activities

### Country of incorporation

Trading Point of Financial Instruments UK Limited (the "Company") was incorporated and domiciled in England and Wales on 12 February 2015 as a private company limited by shares. Its registered office and principal place of business is at Coppergate House, Whites Row, London, England, E1 7NF.

### Principal activities and nature of operations of the Company

The principal activities of the Company continue to comprise the provision of online trading. The Company's trading platform provides access to clients to global over the counter CFDs (Contract for Difference) on currency pairs, equities, metals, energies, indices and commodities markets and presents them with the price quotation on which clients take positions (trades).

The Company operates under the firm reference no. 705428 granted by the UK Financial Conduct Authority. The Company is licensed to hold and control client money and to act as principal on clients' trades.

## 2. Basis of preparation

On 31 December 2020, IFRS as adopted by the European Union at that date was brought into UK law and became UK-adopted International Accounting Standards, with future changes being subject to endorsement by the UK Endorsement Board. The Company transitioned to UK-adopted International Accounting Standards in its financial statements on 1 January 2021. This change constitutes a change in accounting framework. However, there is no impact on recognition, measurement or disclosure in the period reported as a result of the change in framework. The financial statements of Trading Point of Financial Instruments UK Limited have been prepared in accordance with UK-adopted International Accounting Standards and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards.

The financial statements have been prepared on a going concern basis, as already mentioned on the strategic report. This contemplates the realisation of assets and liabilities in the ordinary course of business. The financial statements have been prepared under the historical cost convention as modified by the revaluation of financial assets and financial liabilities at fair value through profit or loss.

The company meets its day-to-day working capital requirements through its cash reserves. The company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the company should be able to operate within the level of its current cash reserves. The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

### Adoption of new and revised accounting standards

There are no amendments to accounting standards, or IFRIC interpretations that are effective for the first time for the year ended 31 December 2022 that have a material impact on the company's financial statements.

### Use of estimates and judgements

The preparation of financial statements in accordance with the UK-adopted International Accounting Standards requires from management the exercise of judgement, to make estimates and assumptions that influence the application of accounting principles and the reported amounts of assets and liabilities, income and expenses. The estimates and underlying assumptions are based on historical experience and various other factors that are deemed to be reasonable based on knowledge available at that time. Actual results may deviate from such estimates.

The estimates and underlying assumptions are revised on a continuous basis. Revisions in accounting estimates are recognised in the period during which the estimate is revised, if the estimate affects the present as well as future periods.



## TRADING POINT OF FINANCIAL INSTRUMENTS UK LIMITED

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### 3. Significant accounting policies

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

#### Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable for the provision of online trading services in the ordinary course of the Company's activities.

The Company recognises revenue when the amount of revenue can be reliably measured, and it is probable that future economic benefits will flow to the entity. Revenues earned by the Company are recognised on the following bases:

#### Commission income

The Company receives commission income on a monthly basis, from Trading Point of Financial Instruments Limited based on the total trading volume of all its clients' trading activity.

The basis on which the trading volume is calculated each month, takes into consideration the trades which have been opened in the month under consideration by the Company's clients.

#### Other income

The Company recognises other income from payroll recharges from its affiliated companies.

#### Finance Income

Finance Income includes interest income which is recognised on an accrual basis.

#### Finance expenses

Interest expense and other borrowing costs are recognised in profit or loss in the period in which they are incurred.

#### Foreign currency

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the statement of financial position date are translated at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the statement of profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary items denominated in foreign currencies that are stated at fair value are translated at foreign exchange rates effective at the date the fair value was denominated.

#### Income taxes

Tax expense recognised in profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

The calculation of current and deferred tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Deferred income taxes are calculated using the liability method. The carrying amounts of deferred tax are reviewed at the end of each reporting period and adjusted if needed.

Deferred tax assets are recognised to the extent it is probable that the underlying tax loss or deductible temporary difference will be utilised against future taxable income. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit.

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### 3. Significant accounting policies (continued)

#### Income taxes (continued)

Deferred tax liabilities are generally recognised in full, although IAS 12 specifies limited exemptions. The Company does not offset deferred tax assets and liabilities unless it has a legally enforceable right to do so and intends to settle on a net basis.

#### Property and equipment

Property and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributed to the acquisition of property and equipment.

Depreciation is recognised on a straight-line basis so as to write off the cost or revalued amount of each asset to its residual value, over its estimated useful life. The annual depreciation rates used are as follows:

	%
Furniture, fixtures and office equipment	10
Computer equipment	20

Depreciation methods, useful lives and residual values are reassessed at the reporting date.

Expenditure for repairs and maintenance of property and equipment is charged to profit or loss of the year in which it is incurred.

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss. When revalued assets are sold, the amounts included in the fair value reserves are transferred to retained earnings.

#### Rent

The entity rents the office space under a service level agreement. The agreement is not, neither does it contain, a lease (as defined in IFRS 16). Rental charges are recognised on a straight line basis over the term of the agreement.

#### Financial instruments

Financial assets and financial liabilities are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

#### Financial Assets – Classification

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

- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortised cost.

The classification and subsequent measurement of debt financial assets depends on: (i) the Company's business model for managing the related assets portfolio and (ii) the cash flow characteristics of the asset. On initial recognition, the Company may irrevocably designate a debt financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

For investments in equity instruments that are not held for trading, classification will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI). This election is made on an investment-by-investment basis.

### 3. Significant accounting policies (continued)

#### Financial Assets – Classification (continued)

All other financial assets are classified as measured at FVTPL.

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For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

### **Financial assets - Recognition**

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

### **Financial assets – Measurement**

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss. Fair value at initial recognition is best evidenced by the transaction price. A gain or loss on initial recognition is only recorded if there is a difference between fair value and transaction price which can be evidenced by other observable current market transactions in the same instrument or by a valuation technique whose inputs include only data from observable markets.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

### Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

**Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in 'other income'.

Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss. Financial assets measured at amortised cost (AC) comprise cash and cash equivalents, bank deposits with original maturity over 3 months, trade receivables and financial assets at amortised cost.

**FVTPL:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognised in profit or loss and presented net within "other gains/(losses)" in the period in which it arises.

**FVOCI:** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss.

## **3. Significant accounting policies (continued)**

### Debt instruments (continued)

When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in

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"other income". Foreign exchange gains and losses are presented in "other gains/(losses)" and impairment expenses are presented as separate line item in the statement of profit or loss.

### Equity instruments

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment, any related balance within the FVOCI reserve is reclassified to retained earnings. The Company's policy is to designate equity investments as FVOCI when those investments are held for strategic purposes other than solely to generate investment returns. Dividends from such investments continue to be recognised in profit or loss as other income when the Company's right to receive payments is established.

Changes in the fair value of financial assets at FVTPL are recognised in "other gains/(losses)" in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

### **Financial assets – impairment**

The Company recognises loss allowances for ECLs on:

- financial assets measured at amortised cost; and
- debt investments measured at FVOCI;

The Company measures loss allowances at an amount equal to lifetime ECLs, except for the following which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs.

### **Financial assets -Reclassification**

Financial instruments are reclassified only when the business model for managing those assets changes. The reclassification has a prospective effect and takes place from the start of the first reporting period following the change.

### **Financial assets - write-off**

Financial assets are written-off, in whole or in part, when the Company exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery. The write-off represents a derecognition event.

The Company may write-off financial assets that are still subject to enforcement activity when the Company seeks to recover amount that are contractually due, however, there is no reasonable expectation of recovery.

### **Financial liabilities - Classification**

Financial liabilities are initially recognised as:

- Fair value through profit or loss; or
- Amortised cost

### **Financial liabilities – Measurement**

Subsequent measurement of the financial liabilities:

- i) Fair Value through profit or loss

A financial liability is classified as a FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expenses, are recognised in profit or loss.

### **3. Significant accounting policies (continued)**

#### **Financial liabilities – Measurement (continued)**

- ii) Amortised cost

Financial liabilities that are not classified as FVTPL, are subsequently measured at amortised cost using the

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effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

### **Derecognition of financial assets and liabilities**

#### Financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired;
- the Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- the Company has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

#### Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

#### Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

### **Pension costs**

The Company contributes to a defined contribution pension scheme and the pension charge represents the amounts payable by the Company to the fund in respect of the year. The assets of the scheme are held separately from those of the Company in an independently administered fund.

Pension costs are recognised when they become payable to the pension scheme on behalf of the employees as a result of contractual obligations.

### **Cash and cash equivalents**

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

### **Trade receivables**

Trade receivables are measured at initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method. In line with IFRS 9, for trade receivables, expected credit losses are recognised from the point of initial recognition and these are based on a reasonable estimate of the losses that might be expected to arise on an instrument over its whole life. The carrying value of the trade receivable balance is reduced by the value of the loss allowance. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy or delinquency payments (more than 60 days overdue) are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the carrying amount and the recoverable amount, being the present value of estimated future cash flows, discounted at the effective interest rate.

### **3. Significant accounting policies (continued)**

#### **Clients' funds**

Clients' funds are not recognised as assets as they do not represent resources controlled by the Company and the significant risks and rewards of ownership in relation to these funds remain with the clients. The clients' funds are kept in segregated accounts in the Company's name on behalf of its clients and these accounts are held by the Company

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in a fiduciary capacity.

### Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. Trade payables are initially measured at fair value and are subsequently measured at amortised cost, using the effective interest rate.

### Share capital

Ordinary shares are classified as equity. The difference between the fair value of the consideration received by the Company and the nominal value of the share capital being issued is taken to the share premium account.

### Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole.

Provisions are measured at the Directors' best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

## 4. Financial risk management

### Financial risk factors

The Company is exposed to market risk (currency risk), credit risk, liquidity risk, operational risk, litigation risk, compliance risk and reputation risk. The risk management policies employed by the Company to manage these risks are discussed below:

#### 4.1 Market risk

##### 4.1.1 Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates.

Currency risk arises when future commercial transactions and recognised asset and liabilities are denominated in a currency that is not the Company's functional currency. The Company is exposed to foreign exchange risk arising from various currency exposures primarily with respect to the US Dollar and the Euro. The Company's management monitors the exchange rates fluctuations on a continuous basis and acts accordingly, if significant fluctuations are identified. The Company is mainly exposed to currency risk on the cash and cash equivalents held.

The Company's exposure to currency risk in relation to cash and cash equivalent was as follows:

	2022	2021
	£	£
US Dollar	117,721	508,872
Euro	350,827	735,604
Polish Zloty	146,545	95,913
Swiss Franc	97,462	89,244
Hungarian Forint	59,497	63,250
Australian Dollar	7,670	7,353
	<u>779,722</u>	<u>1,500,236</u>

### Sensitivity analysis

An increase in currency prices by 5%, in terms of the exposure to the US Dollar, Euro and Polish Zloty, at 31 December 2022 would have increased profit or loss by £30,755 (2021: £67,019). For a decrease of 5% there would be an equal and opposite impact on the profit.

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### 4. Financial risk management (continued)

#### 4.1.2 Price Risk

The Company although having a full scope licence, acts as a matched principal broker with its clients, therefore eliminating any price risk exposures created by the open positions of its clients. All trades opened by its clients are hedged by offsetting trades with its sister company, Trading Point of Financial Instruments Limited, in Cyprus.

#### 4.2 Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. The Company's open overnight positions are affected by interest rate fluctuations, however the Company is not exposed as each client's trade is fully hedged by off-set trades between the Company and Trading Point of Financial Instruments Limited.

#### 4.3 Credit risk

Credit risk arises when a failure by counter parties to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at the reporting date. Cash balances are held with high credit quality financial institutions and the Company has policies to limit the amount of credit exposure to any financial institution.

The credit risk in respect of customers arises from a customer's trading position going into deficit through incurring a loss in excess of the required margin deposit. Since the Company will not demand these amounts from its customers, due to the negative balance protection policy it has in place; it will absorb all unexpected losses over and above the clients' deposited funds. In addition to clients' stop loss limits capabilities, the Company uses various tools and automations to reduce its exposure to credit risk, including automatic stop outs well before margin levels are eliminated to prevent any open position going into deficit and protect the clients by minimising their losses, dynamic leverage which increases the margin required as open positions exposure increases.

The carrying amount of financial assets represents the maximum credit exposure without taking into account any balances held as required margin for open trading positions in CFDs.

#### 4.3 Credit risk

The maximum exposure to credit risk as at 31 December 2022 and 31 December 2021 was:

	2022	2021
	£	£
Cash at bank	1,478,331	2,559,297
	<u>1,478,331</u>	<u>2,559,297</u>

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

	2022	2021
	£	£
<u>Financial institutions based on credit ratings by Moody's</u>		
Aa3	366,067	1,259,104
A1	582,421	581,025
Ba3	34,356	35,878
	<u>982,844</u>	<u>1,876,007</u>
Cash in hand	27	107
Unrated financial institution	-	-
Unrated financial institution (liquidity provider)	200,000	200,000
Cash in payment providers – not rated	295,460	483,183
Total	<u>1,478,331</u>	<u>2,559,297</u>

#### 4.4 Liquidity risk

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

Liquidity is managed from the Company in line with the requirements of the new IFPR rules and specific metrics are

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reported quarterly to the regulator.

### 4. Financial risk management (continued)

#### 4.4 Liquidity risk (continued)

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

<b>31 December 2022</b>	<b>Carrying amounts £</b>	<b>Contractual cash flows £</b>	<b>3 months or less £</b>	<b>3-12 months £</b>	<b>1-2 years £</b>	<b>2-5 years £</b>	<b>More than 5 years £</b>
Trade and other payables	10,533	10,533	10,533	-	-	-	-
Payable to group entity	-	-	-	-	-	-	-
	<b>10,533</b>	<b>10,533</b>	<b>10,533</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

<b>31 December 2021</b>	<b>Carrying amounts £</b>	<b>Contractual cash flows £</b>	<b>3 months or less £</b>	<b>3-12 months £</b>	<b>1-2 years £</b>	<b>2-5 years £</b>	<b>More than 5 years £</b>
Trade and other payables	12,365	12,365	12,365	-	-	-	-
Payable to group entity	80,628	80,628	80,628	-	-	-	-
	<b>92,993</b>	<b>92,993</b>	<b>92,993</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

#### 4.5 Capital risk management

The Company's objectives when managing capital, are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders, to maintain an optimal capital structure to reduce the cost of capital and to comply with the regulatory capital requirements.

The capital resources of the Company consist of equity and retained earnings, which at 31 December 2022 totalled £2,464,244 (31 December 2021: £3,630,148). The Company met all regulatory capital requirements throughout the year.

According to the new IFPR rules, the outcome of ICARA will be presented as an Internal Capital and Liquidity Assessment document covering the Company. This is reviewed and approved by the Board on an annual basis.

Further information on the Company's management of regulatory capital is provided in the Pillar 3 Disclosure report on the annual financial statements. In accordance with the new IFPR rules, the Company is making the applicable disclosures as specified under MIFIDPRU 8 available on its website ([www.trading.com/uk](http://www.trading.com/uk)) by the day of publication.

### 5. Fair value measurement

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

The fair value of financial instruments traded in active markets, such as publicly traded held for trading and available-for-sale financial assets is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the Company is the current bid price and the quoted market price for financial liabilities is the current ask price.

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset



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or liability that are not based on observable market data (unobservable inputs).

### 5. Fair value measurement (continued)

<b>31 December 2022</b>	Level 1 £	Level 2 £	Level 3 £	Total £
<b>Financial Assets</b>				
Derivative Assets	-	457,777	-	457,777
Total	-	457,777	-	457,777
<b>Financial Liabilities</b>				
Derivative Liability	-	457,777	-	457,777
Total	-	457,777	-	457,777
<b>31 December 2021</b>	Level 1 £	Level 2 £	Level 3 £	Total £
<b>Financial Assets</b>				
Derivative Assets	-	949,280	-	949,280
Total	-	949,280	-	949,280
<b>Financial Liabilities</b>				
Derivative Liability	-	949,280	-	949,280
Total	-	949,280	-	949,280

#### 5.1 Offsetting financial assets and liabilities

Financial instruments subject to offsetting, enforceable master netting and similar arrangements are as follows:

<b>31 December 2022</b>	Gross amounts before any offsetting £	Off-set gross amount in the statement of financial position £	Net amount after off-set £
<b>Financial Assets</b>			
Derivative Assets	457,777	(457,777)	-
Total	457,777	(457,777)	-
<b>Financial Liabilities</b>			
Derivative Liability	400,148	(400,148)	-
Unrealised revenue	57,629	(57,629)	-
Total	457,777	(457,777)	-
<b>31 December 2021</b>	Gross amounts before any offsetting £	Off-set gross amount in the statement of financial position £	Net amount after off-set £
<b>Financial Assets</b>			
Derivative Assets	949,280	(949,280)	-
Total	949,280	(949,280)	-
<b>Financial Liabilities</b>			
Derivative Liability	795,197	(795,197)	-
Unrealised revenue	154,082	(154,082)	-
Total	949,280	(949,280)	-

The Company has a service level agreement with Trading Point of Financial Instruments Limited according to which all trades between the Company and its clients are hedged by entering into off-set trades between the two companies and are settled on an agreed basis. As at year end, the clients had the above exposures from their open positions, which were all hedged by the Company with the affiliate entity and therefore all unrealised revenue were recognised by the latter entity.

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The Company reserves the right, at any time and at the Company's sole discretion, to set-off any unrealised losses incurred in respect of a clients' open positions against that client money held by the Company on behalf of that client in accordance with the agreement between the customer and the Company. This arrangement meets the criteria for offsetting and therefore, no derivatives and associated fair value balances are presented on the statement of financial position or statement of comprehensive income.

### 6. Revenue

	2022 £	2021 £
Commission from related party (Note 16.1)	358,787	704,834
Other income from affiliated companies (Note 16.1)	695,251	-
Other income	-	243
	<b>1,054,038</b>	<b>705,077</b>

### 7. Operating loss

	2022 £	2021 £
The operating loss is stated after charging the following items:		
Depreciation of property, plant and equipment (Note 11)	4,476	9,597
Amortisation of intangibles	-	-
Staff costs (Note 8)	1,939,280	1,494,158
Independent auditors' remuneration – statutory audit – previous auditors	4,112	31,274
Independent auditors' remuneration – statutory audit – current auditors	25,000	-
Independent auditors' remuneration – audit related assurance – current auditors	12,500	-
Independent auditors' remuneration – tax compliance – previous auditors	49,215	8,918
Independent auditors' remuneration – tax compliance – current auditors	5,000	-
Independent auditors' remuneration – other – previous auditors	1,080	4,320
Rent expense	62,605	76,920
Legal and Professional fees	122,436	141,571
Administrative expenditure	(58,895)	-

Auditors' remuneration in the prior year relates to the previous auditor.

### 8. Staff Costs

	2022 £	2021 £
Wages and salaries	1,541,992	1,191,121
National Insurance and other contributions	304,594	228,153
Pension contributions	92,694	74,884
	<b>1,939,280</b>	<b>1,494,158</b>

The total monthly average number of employees for 2022 was 15 (2021: 9).

During the year ended 31 December 2022, the payments towards the 3 Directors and the employees (average of 12) were as follows:

	Directors 2022 £	Employees 2022 £	Directors 2021 £	Employees 2021 £
Gross wages and salaries	740,657	801,335	753,924	437,197
National Insurance and other contributions	134,385	170,209	131,826	96,327
Pension contributions	19,456	73,238	27,608	47,276
	<b>894,498</b>	<b>1,044,782</b>	<b>913,358</b>	<b>580,800</b>

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Emoluments in respect of the highest paid director were as follows:

	2022 £	2021 £
Gross wages and salaries	582,032	497,543
National Insurance contributions	15,381	12,866
Pension contributions	-	-
	<u>597,413</u>	<u>510,409</u>

### 9. Net Finance income / (expenses)

	2022 £	2021 £
Interest Income	243	68
Net Foreign exchange income	80,030	162
<b>Finance Income</b>	<u>80,273</u>	<u>230</u>
Bank charges	(12,619)	(12,655)
Interest expense	(437)	(718)
Net Foreign exchange loss	(18)	(55,338)
<b>Finance Expenses</b>	<u>(13,074)</u>	<u>(68,711)</u>
<b>Net Finance income / (expenses)</b>	<u>67,199</u>	<u>(68,481)</u>

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### 10. Income tax

	2022 £	2021 £
Corporation tax - current year	-	-
Deferred tax derecognised	-	(2,267)
<b>Charge for the year</b>	<b>-</b>	<b>(2,267)</b>
The total charge for the year can be reconciled to the accounting profit as follows:		
	2022 £	2021 £
Loss before income tax	(1,091,783)	(1,168,171)
Tax calculated at the applicable tax rates (19%)	(207,439)	(221,952)
Fixed asset differences	(394)	-
Expenses not deductible for tax purposes	36	-
Remeasurement of deferred tax for changes in tax rates	-	(76,363)
Movement in deferred tax not recognised	207,797	296,048
<b>Tax charge</b>	<b>-</b>	<b>(2,267)</b>

The March 2021 Budget announced a further increase to the main rate of corporation tax to 25% from 1 April 2023. This rate has been substantively enacted at the balance sheet date and as a result the company's deferred tax balances as at 31 December 2022 have been measured at 25%. In the Autumn Statement in November 2022, the government confirmed the increase in corporation tax rate to 25% from April 2023 will go ahead. Deferred tax assets are only recognised to the extent that it is probable that they will be recovered in the future. A potential deferred asset of £591,597 (2021: £318,181) arising on unrelieved tax losses carried forward of £2,366,390 have not been recognised in the financial statements, as at the signing date of these accounts it is not probable that sufficient future taxable profits will be available to utilise the asset.

### 11. Property, plant and equipment

	Computer hardware £	Furniture, fixtures and office equipment £	Total £
<b>Cost</b>			
Balance at 1 January 2021	29,288	2,640	31,928
Additions	9,329	-	9,329
<b>Balance at 31 December 2021/ 1 January 2022</b>	<b>38,617</b>	<b>2,640</b>	<b>41,257</b>
Additions	4,040	1,333	5,373
<b>Balance at 31 December 2022</b>	<b>42,657</b>	<b>3,973</b>	<b>46,630</b>
<b>Depreciation</b>			
Balance at 1 January 2021	18,242	1,046	19,288
Charge for the year	9,333	264	9,597
<b>Balance at 31 December 2021/ 1 January 2022</b>	<b>27,575</b>	<b>1,310</b>	<b>28,885</b>
Charge for the year	4,079	397	4,476
<b>Balance at 31 December 2022</b>	<b>31,654</b>	<b>1,707</b>	<b>33,361</b>
<b>Balance at 31 December 2022</b>	<b>11,003</b>	<b>2,266</b>	<b>13,269</b>
Balance at 31 December 2021	11,042	1,330	12,372

## TRADING POINT OF FINANCIAL INSTRUMENTS UK LIMITED

### 12. Trade and other receivables

	2022	2021
	£	£
Trade receivables	-	1,080
Receivable from related parties (16.3)	51,100	5,957
Corporation Tax receivable	-	-
Deposits and prepayments	18,051	20,600
Other receivables	28,891	-
	<u>98,042</u>	<u>27,637</u>

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

The exposure of the Company to liquidity risk in relation to its financial instruments is reports in note 4 of the financial statements.

### 13. Cash and cash equivalents

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

	2022	2021
	£	£
Cash at bank and in hand	<u>1,478,331</u>	<u>2,559,297</u>
	<u>1,478,331</u>	<u>2,559,297</u>

The exposure of the Company to credit risk and impairment losses in relation to cash and cash equivalents is reported in note 4 of the financial statements.

The cash and cash equivalents are analysed in the following currencies:

	2022	2021
	£	£
Pound Sterling	698,608	1,059,061
US Dollar	117,721	508,872
Euro	350,827	735,604
Other currencies	311,175	255,760
	<u>1,478,331</u>	<u>2,559,297</u>

### 14. Share capital

	2022	2022	2021	2021
	Number of shares	£	Number of shares	£
<b>Issued and fully paid</b>				
Balance at 1 January	1,500,000	1,500,000	1,500,000	1,500,000
Issue of shares	-	-	-	-
<b>Balance at 31 December</b>	<u>1,500,000</u>	<u>1,500,000</u>	<u>1,500,000</u>	<u>1,500,000</u>

## TRADING POINT OF FINANCIAL INSTRUMENTS UK LIMITED

### 15. Trade and other payables

	2022	2021
	£	£
Trade payables	862	12,365
Accruals	206,648	42,069
Other payables	9,671	-
Payables to related companies (Note 16.2)	-	80,628
	<b>217,181</b>	<b>135,062</b>

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

The exposure of the Company to liquidity risk in relation to financial instruments is reported in note 4 of the financial statements.

### 16. Related party relationships and transactions

The Company is controlled by Trading Point Holdings Limited, incorporated in Cyprus, which owns 100% of the Company's shares and is controlled by a number of individuals, none of whom has a controlling interest. The parent company is responsible for preparing consolidated financial statements for the Group and they can be obtained from its registered office at 12 Richard & Verengarias Street, Araouzos Castle Court, 3042 Limassol, Cyprus.

The following transactions were carried out with related parties:

#### 16.1 Revenue received

<u>Name</u>	<u>Nature of transactions</u>	2022	2021
		£	£
Commission from related party (Note 6)	Trading	358,787	704,834
Other income from affiliated companies (Note 6)	Recharges	695,251	-
		<b>1,054,038</b>	<b>704,834</b>

Commission is received from Trading Point of Financial Instruments Limited, a Group company, based on a pre-agreed percentage on the trading volumes of the clients.

Payroll recharges to affiliated companies.

#### 16.2 Payables to related parties

<u>Name</u>	<u>Nature of transactions</u>	2022	2021
		£	£
Payables to fellow subsidiary (Note 15)	Trading	-	80,628
		<b>-</b>	<b>80,628</b>

#### 16.3 Receivables from related parties

<u>Name</u>	<u>Nature of transactions</u>	2022	2021
		£	£
Receivables from related party (Note 12)	Trading	41,343	-
Receivables from related party (Note 12)	Recharges	3,800	-
		<b>45,143</b>	<b>-</b>

At the year-end 2022 the Company has prepaid £5,957 (2021: £5,957) to the Non-executive Director for his services. The cost for the year is £14.4k (2021: £14.4k).

There are no members of key management other than the directors.

## TRADING POINT OF FINANCIAL INSTRUMENTS UK LIMITED

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### 17. Rent commitments not recognised as a liability

Rentals payable under service level agreements are generally charged to profit or loss on a straight-line basis over the term of the agreement. Payments made under such agreements are expensed on a straight-line basis. The entity makes the use of such arrangements for the provision of the office space.

The commitments under the arrangements are as follows:

	2022	2021
	£	£
Rent commitments	145,044	38,880
	<u>145,044</u>	<u>38,880</u>

### 18. Post balance sheet events

In February 2023 the Directors of the Company have agreed to increase the share capital by issuing new ordinary shares of £1 nominal value, fully paid in cash, as follows:

	Number of new shares	£
Issue of new shares	1,500,000	1,500,000

All new shares issued, were acquired by the sole shareholder.