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**PRICE MARKETS UK LTD**

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2019**

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**PRICE MARKETS UK LTD**

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**COMPANY INFORMATION**

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<b>Directors</b>	A Badr Talei (resigned 30 April 2020) A T Iakobachvili (appointed 17 February 2020) C Fiefel (resigned 18 March 2019)
<b>Registered number</b>	09597543
<b>Registered office</b>	35 Ballards Lane London N3 1XW
<b>Independent auditors</b>	Berg Kaprow Lewis LLP Chartered Accountants & Statutory Auditor 35 Ballards Lane London N3 1XW

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PRICE MARKETS UK LTD

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**STRATEGIC REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**Introduction**

Price Markets UK Ltd is an FCA regulated (reference number: 725804) matched principal broker based in London. We are a price maker for mainly professional clients and institutions. Our business is slim and the majority of the aspects of the business are automated, which keeps our cost-base down and allows us to pass on our savings to our customers, which lowers their overall transaction costs when executing FX and CFD trades. Our competitive pricing model enables us to grab market share from larger organisations with a higher cost-base.

**Business review**

2019 was a year of restructuring as the company down-sized its non-core businesses and A Badr Talei exited the company with majority ownership acquired by M Mokin. A T Iakobachvili joined the firm in Q4 2019 and joined the board in February 2020 upon FCA approval, further strengthening the company's position to build up its core businesses.

*Financial Technology Services*

The company continued the development of its proprietary Trading Platform (priceAPI suite of trading technologies) in 2019, further enhancing the business and securing key-clients, including one of the world's top 5 brokerage firms by volume. Further into 2020, the company's Technology revenue has as a result bypassed the Trading revenue for the first time.

*Institutional*

The company has enhanced its liquidity provision by adding further liquidity providers to its pool. Pricing on commodities and CFDs has as a result improved across the board and execution times have dropped to 4ms on Index CFD products and average 8ms on FX.

*Retail*

Further to the challenges faced by the company in 2018/2019 as a result of its Retail platforms, the company decided to wind-down this segment. As a result, the company lowered the headcount and cut its Retail platforms related overheads resulting in a 78% drop in expenses and 61% drop in revenues, ensuring the company for the first time marked a small profit for the first time. The Company believes it will maintain this trajectory going forward.

**Principal risks and uncertainties**

*Liquidity Risks*

2019 was a "calm" and straight-forward year, as markets remained relatively directional. The first quarter of 2020 proved more challenging as the COVID-19 outbreak brought unprecedented uncertainty and government intervention to relatively stable financial markets. Liquidity drainage, numerous circuit breaker events in futures markets and unprecedented physical delivery issues in certain commodities markets led to a number of historic events as well as extremely high volatility across markets. The company remained in close contact with its liquidity providers and customers during this challenging time to ensure a healthy risk transfer in its marketplace. As a result of our time-tested technology, risk measures and vigilance, the company didn't face any financial losses, even as some currencies hit record levels in a short period of time, precious metals faced a near break-down and oil prices traded below zero. As we have previously expected similar liquidity scenarios, albeit not such cause, we remained vigilant throughout the period, protecting our customers and liquidity providers and the integrity of the financial markets.

**STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**Financial key performance indicators**

Unwinding the Retail platforms took less time than expected and the costs associated were in majority covered in H1 2019. As a result, the company dropped its costs and expenses by 78% year on year (£348,563 vs. £1,573,947). As a result of the winding down of Retail platforms and dampened volatility the company revenues dropped by 61% (£506,885 vs. £1,302,954). This resulted in the company to post its first annual profit with the aim to remain on this trajectory whilst building up core-businesses in 2020.

**FCA Pillar 3 disclosure**

The FCA Pillar 3 unaudited disclosures are published and updated annually on the company's website at <https://pricemarkets.com>.

**Statement in compliance with section 172(1) of the Companies Act 2006**

The Director of the Company is acutely aware of the requirement for them to act in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole. In considering this duty the Director considers the following stakeholders:

*Shareholders*

The Director has regular contact with the shareholder in order to maximise the Company's long-term growth prospects and the opportunity for a dividend stream.

*Customers*

The Company's customer base ranges from large institutional clients and professional clients to retail clients. The Director priorities compliance with the FCA Client Money rules to ensure the funds of relevant clients are protected, whilst ensuring each client's best interests are served in accordance with their risk appetite.

*Suppliers*

The company has various key supplier relationships which work more as a partnership to ensure the smooth running of the business.

*Community and the environment*

The Company actively seeks to reduce its carbon footprint by virtue of its entirely online and paperless business. The Director also encourages regular attendance at industry related networking events in order to build and maintain strong relationships within the forex community.

This report was approved by the board and signed on its behalf.

**A T Iakobachvili**

Director

Date: 14 August 2020

**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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The directors present their report and the audited financial statements for the year ended 31 December 2019.

**Directors' responsibilities statement**

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

Company law requires the directors to prepare audited financial statements for each financial year. Under that law the directors have elected to prepare the audited financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the audited 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 audited financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements 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 audited 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 to enable them to ensure that the audited 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.

**Principal activity**

The principal activity of the company is the provision of online retail foreign exchange ("FX") trading and related services and the company is a matched principal broker authorised and regulated by the Financial Conduct Authority ("FCA").

**Results and dividends**

The profit for the year, after taxation, amounted to £158,329 (2018 - loss £270,949).

The directors do not recommend that a dividend be declared in respect of the accounting period ending 31 December 2019.

**Directors**

The directors who served during the year were:

A Badr Talei (resigned 30 April 2020)  
C Fiefel (resigned 18 March 2019)

**DIRECTORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

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**Future developments**

We continue the development of our technologies and infrastructure as we are moving into a more mature phase of our business. As our focus this coming year is solely on Financial Technology Services and Liquidity provision, our price distribution expansion remains key, both via 3rd party venues and direct clients.

**Disclosure of information to auditors**

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

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

**Post balance sheet events**

Following the year-end, there has been a change in control and management of the Company. The ultimate controlling party as of 31 January 2020 is M Mokin. A Iakobachvili was appointed as a director of the Company on 17 February 2020.

On 21 May 2020 a total of 195,343 £1 Ordinary shares were issued to M Mokin at par.

**Auditors**

Under section 487(2) of the Companies Act 2006, Berg Kaprow Lewis LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

This report was approved by the board and signed on its behalf.

**A T Iakobachvili**

Director

Date: 14 August 2020

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**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF PRICE MARKETS UK LTD**

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**Opinion**

We have audited the financial statements of Price Markets UK Ltd (the 'Company') for the year ended 31 December 2019, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Equity 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 United Kingdom Accounting Standards, including Financial Reporting Standard 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 2019 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 Auditors' 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**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**Other information**

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material



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**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF PRICE MARKETS UK LTD (CONTINUED)**

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inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

**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 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.

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

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

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

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

**Responsibilities of directors**

As explained more fully in the Directors' Responsibilities Statement on page 3, 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.

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INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF PRICE MARKETS UK LTD (CONTINUED)

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**Auditors' 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 Auditors' 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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditors' Report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditors' Report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF PRICE MARKETS UK LTD (CONTINUED)

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**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 Auditors' 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.

David Landau FCA (Senior Statutory Auditor)

for and on behalf of

**Berg Kaprow Lewis LLP**

Chartered Accountants

Statutory Auditor

London

14 August 2020

PRICE MARKETS UK LTD

STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	2019 £	2018 £
Turnover	4	506,885	1,302,954
Cost of sales		(26,982)	(298,800)
<b>Gross profit</b>		<b>479,903</b>	<b>1,004,154</b>
Administrative expenses		(321,581)	(1,275,147)
<b>Operating profit/(loss)</b>		<b>158,322</b>	<b>(270,993)</b>
Interest receivable and similar income		7	63
Interest payable and expenses		-	(19)
<b>Profit/(loss) before tax</b>		<b>158,329</b>	<b>(270,949)</b>
<b>Profit/(loss) for the financial year</b>		<b>158,329</b>	<b>(270,949)</b>

There was no other comprehensive income for 2019 (2018: £NIL).

The notes on pages 13 to 28 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2019

	Note	2019 £	2018 £
<b>Fixed assets</b>			
Intangible assets	9	426,053	358,559
Tangible assets	10	1,701	7,758
		<u>427,754</u>	<u>366,317</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	12	92,103	28,701
Cash at bank and in hand	13	626,416	1,039,012
		<u>718,519</u>	<u>1,067,713</u>
Creditors: amounts falling due within one year	14	(645,098)	(1,116,184)
<b>Net current assets/(liabilities)</b>		<u>73,421</u>	<u>(48,471)</u>
<b>Total assets less current liabilities</b>		<u>501,175</u>	<u>317,846</u>
<b>Net assets</b>		<u><u>501,175</u></u>	<u><u>317,846</u></u>
<b>Capital and reserves</b>			
Called up share capital	16	832,519	807,519
Share premium account	17	501,442	501,442
Profit and loss account	17	(832,786)	(991,115)
		<u>501,175</u>	<u>317,846</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

**A T Iakobachvili**  
Director

Date: 14 August 2020

The notes on pages 13 to 28 form part of these financial statements.

PRICE MARKETS UK LTD

STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2019

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
<b>At 1 January 2018</b>	<b>807,519</b>	<b>501,442</b>	<b>(720,166)</b>	<b>588,795</b>
<b>Comprehensive income for the year</b>				
Loss for the year	-	-	(270,949)	(270,949)
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>(270,949)</b>	<b>(270,949)</b>
<b>At 1 January 2019</b>	<b>807,519</b>	<b>501,442</b>	<b>(991,115)</b>	<b>317,846</b>
<b>Comprehensive income for the year</b>				
Profit for the year	-	-	158,329	158,329
<b>Other comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>158,329</b>	<b>158,329</b>
Issue of Ordinary Share Capital	25,000	-	-	25,000
<b>Total transactions with owners</b>	<b>25,000</b>	<b>-</b>	<b>-</b>	<b>25,000</b>
<b>At 31 December 2019</b>	<b>832,519</b>	<b>501,442</b>	<b>(832,786)</b>	<b>501,175</b>

The notes on pages 13 to 28 form part of these financial statements.

STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2019

	2019 £	2018 £
<b>Cash flows from operating activities</b>		
Profit/(loss) for the financial year	158,329	(270,949)
<b>Adjustments for:</b>		
Amortisation of intangible assets	52,634	41,621
Depreciation of tangible assets	6,222	5,712
Interest paid	-	19
Interest received	(7)	(63)
(Increase)/decrease in debtors	(63,402)	13,169
(Decrease) in creditors	(471,412)	(598,439)
<b>Net cash generated from operating activities</b>	<b>(317,636)</b>	<b>(808,930)</b>
<b>Cash flows from investing activities</b>		
Purchase of intangible fixed assets	(120,128)	(255,880)
Purchase of tangible fixed assets	(165)	(7,121)
Interest received	7	63
<b>Net cash from investing activities</b>	<b>(120,286)</b>	<b>(262,938)</b>
<b>Cash flows from financing activities</b>		
Issue of Ordinary shares	25,000	-
Interest paid	-	(19)
<b>Net cash used in financing activities</b>	<b>25,000</b>	<b>(19)</b>
<b>Net (decrease) in cash and cash equivalents</b>	<b>(412,922)</b>	<b>(1,071,887)</b>
Cash and cash equivalents at beginning of year	1,038,561	2,110,448
<b>Cash and cash equivalents at the end of year</b>	<b>625,639</b>	<b>1,038,561</b>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	626,416	1,039,012
Bank overdrafts	(777)	(451)
	<b>625,639</b>	<b>1,038,561</b>

The notes on pages 13 to 28 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**1. General information**

The principal activity of the company is the provision of online retail foreign exchange ("FX") trading and related services and the company is a matched principal broker authorised and regulated by the Financial Conduct Authority ("FCA").

Price Markets UK Ltd is a company limited by shares incorporated in England and Wales.

The Company's principal place of business is 30 St. Mary Axe, 29th Floor, EC3A 8BF.

**2. Accounting policies**

**2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland ("FRS 102") and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

**2.2 Going concern**

The financial statements have been prepared on a going concern basis which assumes that the company will continue in operational existence for the foreseeable future and will be able to meet its debts as they fall due.

In light of the Global Pandemic, the Company is continuing to service its customers via the online trading platform whilst working remotely under UK government guidance. The directors acknowledge that the developing situation could last for an extended period of time and so remain vigilant in monitoring the situation. The Company secured funds via an investor and therefore there are sufficient resources for the Company to continue for a period of at least twelve months from the date of approval of these financial statements.

The directors have reviewed forecasts and budgets in light of the above and together with the ongoing support of directors and shareholders, the directors are confident of the Company's ability to continue trading as a going concern for at least 12 months from the date of signing these financial statements.



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**2. Accounting policies (continued)**

**2.3 Revenue**

Revenue represents commission, spread swaps and financial revenue from online broking in contract for differences (CFDs) and rolling spot FX.

Revenue is recognised at the fair value of the consideration received or receivable for services provided in the normal course of business.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

**Rendering of services**

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

**2.4 Intangible assets**

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The intangible assets are being amortised over 10 years.

**2.5 Tangible fixed assets**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019

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**2. Accounting policies (continued)**

**2.5 Tangible fixed assets (CONTINUED)**

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives.

Depreciation is provided on the following basis:

Office equipment	-	20%	Straight line
Computer equipment	-	33%	Straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

**2.6 Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

**2.7 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**2. Accounting policies (continued)**

**2.8 Financial instruments**

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks, loans to and from related parties and investments in non-puttable ordinary shares.

**(i) Financial assets**

Basic financial assets, including trade and other debtors, cash and bank balances are initially recognised at transaction price, 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.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. 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 the Statement of Comprehensive Income.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

**(ii) Financial liabilities**

Basic financial liabilities, including trade and other creditors and accruals, 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 receipts discounted at a market rate of interest.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors 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.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

**(iii) Offsetting**

Financial assets and liabilities are offset and 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.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**2. Accounting policies (continued)**

**2.9 Foreign currency translation**

**Functional and presentation currency**

The Company's functional and presentational currency is Sterling.

**Transactions and balances**

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

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

**2.10 Pensions**

**Defined contribution pension plan**

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**2. Accounting policies (continued)**

**2.11 Taxation**

Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

**3. Judgements in applying accounting policies and key sources of estimation uncertainty**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that believed to be reasonable under the circumstances.

No judgements (apart from those involving estimates) have been made in the process of applying the above accounting policies.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year include:

**(i) Depreciation and useful economic life of tangible and intangible fixed assets**

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. Intangible fixed assets are depreciated over a maximum period of 10 years. The actual lives of the assets and residual values are assessed annually and may vary depending on the number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019

4. Turnover

The whole of the turnover is attributable to brokerage services.

All turnover arose within the United Kingdom.

5. Auditors' remuneration

Fees payable to the Company's auditor and its associates in respect of:

Audit of the Company's annual financial statements	21,000	21,500
Taxation compliance services	2,000	2,100
All other assurance services	4,000	4,200
All other services	4,700	5,800
	<u>31,700</u>	<u>33,600</u>

6. Employees

Staff costs, including directors' remuneration, were as follows:

	2019 £	2018 £
Wages and salaries	99,870	623,150
Social security costs	7,560	71,550
Cost of defined contribution scheme	856	4,079
	<u>108,286</u>	<u>698,779</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2019 No.	2018 No.
Employees	1	6
Directors	1	2
	<u>2</u>	<u>8</u>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019

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7. Directors' remuneration

	2019 £	2018 £
Directors' emoluments	54,187	341,641
Company contributions to defined contribution pension schemes	538	1,385
	<u>54,725</u>	<u>343,026</u>

During the year retirement benefits were accruing to 2 directors (2018 - 2) in respect of defined contribution pension schemes.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019

8. Taxation

	2019 £	2018 £
<b>Total current tax</b>	<b>-</b>	<b>-</b>

**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2018 - *higher than*) the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

	2019 £	2018 £
Profit/(loss) on ordinary activities before tax	<b>158,329</b>	<b>(270,949)</b>
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	<b>30,083</b>	<b>(51,480)</b>
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	<b>6,011</b>	<b>12,759</b>
Capital allowances for year in excess of depreciation	<b>1,151</b>	<b>2,840</b>
Unrelieved tax losses carried forward	<b>(37,245)</b>	<b>35,881</b>
<b>Total tax charge for the year</b>	<b>-</b>	<b>-</b>

**Factors that may affect future tax charges**

The Company has estimated tax losses carried forward of £700,000 (2018: £1,064,000). No deferred tax asset has been provided for in the financial statements due to the uncertainty of future profits. The resulting deferred tax asset would be approximately £118,000 (2018: £180,000).



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019

9. Intangible assets

	Technology contracts £	Trading platform development costs £	Total £
<b>Cost</b>			
At 1 January 2019	135,631	280,582	416,213
Additions	-	120,128	120,128
At 31 December 2019	135,631	400,710	536,341
<b>Amortisation</b>			
At 1 January 2019	27,126	30,528	57,654
Charge for the year	13,563	39,071	52,634
At 31 December 2019	40,689	69,599	110,288
<b>Net book value</b>			
At 31 December 2019	94,942	331,111	426,053
<i>At 31 December 2018</i>	<i>108,505</i>	<i>250,054</i>	<i>358,559</i>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019

10. Tangible fixed assets

	Office equipment £	Computer equipment £	Total £
<b>Cost or valuation</b>			
At 1 January 2019	2,438	16,063	18,501
Additions	165	-	165
At 31 December 2019	<u>2,603</u>	<u>16,063</u>	<u>18,666</u>
<b>Depreciation</b>			
At 1 January 2019	946	9,797	10,743
Charge for the year on owned assets	867	5,355	6,222
At 31 December 2019	<u>1,813</u>	<u>15,152</u>	<u>16,965</u>
<b>Net book value</b>			
At 31 December 2019	<u>790</u>	<u>911</u>	<u>1,701</u>
<b>At 31 December 2018</b>	<u>1,492</u>	<u>6,266</u>	<u>7,758</u>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019

11. Fixed asset investments

	Investments in subsidiary companies £
<b>Cost or valuation</b>	
At 1 January 2019	135,631
At 31 December 2019	135,631
<b>Impairment</b>	
At 1 January 2019	135,631
At 31 December 2019	135,631
<b>Net book value</b>	
At 31 December 2019	-
<b>At 31 December 2018</b>	-

**Subsidiary undertaking**

The following was a subsidiary undertaking of the Company:

Name	Registered office	Class of shares	Holding
FX Intelligence Limited	New Zealand	Ordinary	100 %

This subsidiary was dormant in the year.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019

12. Debtors

	2019 £	2018 £
Trade debtors	10,286	5,206
Other debtors	81,817	16,895
Prepayments and accrued income	-	6,600
	<u>92,103</u>	<u>28,701</u>

13. Cash and cash equivalents

	2019 £	2018 £
Cash at bank and in hand	626,416	1,039,012
Less: bank overdrafts	(777)	(451)
	<u>625,639</u>	<u>1,038,561</u>

Included within cash at bank and in hand is £507,649 (2018: £845,466) held with the various clearers through whom the company trades.

14. Creditors: Amounts falling due within one year

	2019 £	2018 £
Bank overdrafts	777	451
Trade creditors	55,244	26,418
Other taxation and social security	-	24,750
Other creditors	552,478	1,012,342
Accruals and deferred income	36,599	52,223
	<u>645,098</u>	<u>1,116,184</u>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019

15. Financial instruments

	2019 £	2018 £
<b>Financial assets</b>		
Financial assets that are debt instruments measured at amortised cost	<u>18,613</u>	<u>18,101</u>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	<u>(644,322)</u>	<u>(1,015,524)</u>

Financial assets measured at amortised cost comprise trade and other debtors. All amounts are receivable within one year and have no stated interest rate and therefore have been measured at the undiscounted amount of the consideration expected to be received.

Financial liabilities measured at amortised cost comprise of trade creditors, other creditors and accruals. All amounts are payable within one year and have no stated interest rate and therefore have been measured at the undiscounted amount of the consideration expected to be transferred.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019

16. Share capital

	2019 £	2018 £
<b>Allotted, called up and fully paid</b>		
832,519 (2018 - 807,519) Ordinary shares of £1.00 each	<u>832,519</u>	<u>807,519</u>

During the year 25,000 Ordinary shares of £1 each were issued for consideration of £25,000.

The Ordinary shares have voting rights and are entitled to dividends.

17. Reserves

**Share premium account**

The share premium account is made up of amounts paid for shares over and above the nominal value of the shares.

**Profit and loss account**

The profit and loss account is made up of losses made in the current and previous years.

18. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £856 (2018: £4,079). Contributions totalling £Nil (2018: £630) were payable to the fund at the reporting date and are included in creditors.

19. Transactions with directors

Included within other debtors is a balance of £5,428 due from A Talei, a director. This comprises an opening balance of £895, advances of £5,428 and repayments of £895. The maximum amount outstanding during the year was £5,428 (2018: £66,766). This balance is unsecured and interest of 3% has been charged on the total amount of the loan during periods where it exceeds £10,000 during the year. This balance has been repaid since the year end.

20. Controlling party

During the year, A Badr Talei was the controlling party but, following the year-end and after approval of a change in control by the FCA, M Mokin became the ultimate controlling party.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**21. Client money**

The company holds money on behalf of retail clients. These funds are held separately from money belonging to the company and are subject to the client money rules as prescribed by the Financial Conduct Authority. At no time does the company have any legal title to the monies. Accordingly, they are not reflected in the company's balance sheet. As at 31 December 2019, the balance held in client accounts was £22,091 (2018: £533,683).

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