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**ILLIQUIDX LIMITED**

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2022**

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**ILLIQUIDX LIMITED**

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**COMPANY INFORMATION**

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<b>Directors</b>	G I Alabatchka C Amore
<b>Registered number</b>	09617701
<b>Registered office</b>	35 Ballards Lane London N3 1XW
<b>Independent auditors</b>	BKL Audit LLP Chartered Accountants & Statutory Auditor 35 Ballards Lane London N3 1XW

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ILLIQUIDX LIMITED

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**STRATEGIC REPORT  
FOR THE YEAR ENDED 31 MARCH 2022**

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**Fair review of the business**

The directors are satisfied with the performance of the Company which has faced challenges in its profitability in the current year and has closed the year with a satisfactory asset position.

**Principal risks and uncertainties**

The principal risks and uncertainties facing the Company are the volatility of capital markets and hence its ability to source deals to generate revenues, as well as the timing of trades and the illiquid nature of the securities involved. In addition, the Company's reputation is important to the on-going operation and success of the Company. The reputation of the Company would be affected by the actions of the Company, the underperformance of representatives acting on behalf of the Company and by non-materialised or failed trades.

Further details of risk management can be found in note 24 to the Financial Statements.

**Financial key performance indicators**

Results for the year to 31 March 2022 have shown that:

Current assets have decreased by 4.0%.

Net assets have decreased by 24%.

The Company has achieved a gross profit margin of 46.5% and loss before tax of £367,196.

**Future developments in the business**

The current conditions remain challenging and are further worsened by the difficulties surrounding Brexit and Covid-19. We are making alternative arrangements to secure continued access to European markets and are confident that the strong experience of the team will leverage opportunities and generate future business.

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

As the Board of Illiquidix Limited, we have a legal responsibility under section 172 of the Companies Act 2006 to act in the way we consider, in good faith, would be most likely to promote the Company's success for the benefit of its members as a whole, and to have regard to the long-term effect of our decisions on the Company and its stakeholders. This statement outlines the ways in which we as a Board address this responsibility.

**Promoting the Company's success for its members**

Illiquidix Limited was started by Celestino Amore and Galina Alabatchka in 2015 and the Company continues to be controlled and run by these two shareholders. The Company has consistently and relentlessly, over the past 7 years, provided employment, training and financial reward for its employees and owners. We aim to be the European leader in the trading of illiquid assets and the provision of investment services in the niche market of distressed debt. Our client base values our discretion, ability to source securities and provide liquidity to investors, as well as value, trade and settle complex debt transactions in illiquid and distressed situations alike.

Our goals are to stabilise the Company's revenues, maximise its ability to grow profits and market share whilst returning the highest possible value to the founding shareholders and those employees who are also shareholders, as well as inspire in the Company's employees pride of working at the Company.

**Engaging with stakeholders**

Our key stakeholders, and the ways in which we engage with them, are as follows:

**Our employees**

Our sourcing, valuation, research, trading and settlement processes are deeply integrated, and the Company

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**STRATEGIC REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2022**

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relies on narrowly specialised staff, most of them with a long tenure in the Company, to conduct these essential activities. These processes are efficiently executed with the heavy involvement of experienced internal and external compliance professionals and legal experts, including on specialist topics and distressed debt legal complexities.

We are renowned for our ability to deliver complex settlements of legally challenging transactions in a discrete way, and we cannot achieve this without our team. Recruitment and retention of staff is therefore a critical business activity. We help to engage with team members by:

- setting remuneration as a combination of market-level base salaries and performance-based compensation;
- providing training and career development support;
- enrolling key and highly performing staff into our share ownership scheme; and
- ensuring that staff from each department are present and involved in significant decisions.

**Our customers and suppliers**

Our guiding principle in our servicing clients is best execution conducted through a smooth and efficient process. Our business model prioritises delivery of the agreed service, on optimal terms for the client. Our clients value our expertise in difficult distressed and illiquid situations and the efficiency and skill with which we resolve them and create value for our clients.

We have built and will maintain a reputation for excellence, thought leadership and transparency in our interaction with clients and suppliers.

**Our community**

We are a private Company with great interest in the community in which we have invested through our various charity donations over the years, including to the Winnicott Foundation, Karma Bank, Fondazione Onlus, Operation Smile and Hands on London, to name a few.

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

**G I Alabatchka**  
Director

Date: 26 July 2022

**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 MARCH 2022**

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The directors present their report and the financial statements for the year ended 31 March 2022.

**Directors' responsibilities statement**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with 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 financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies 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 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 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 was that of dealing in illiquid fixed income securities, trade claims, structured securities and private debt.

The Company is authorised and regulated by the Financial Conduct Authority ("FCA") as a non-SNI £750k firm.

**Results and dividends**

The loss for the year, after taxation, amounted to £308,999 (2021 - profit £148,666).

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

**Directors**

The directors who served during the year were:

G I Alabatchka  
C Amore

**DIRECTORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2022**

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**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.

**Auditors**

During the year Berg Kaprow Lewis LLP acted as auditor to the company until 1 April 2022. On 1 April 2022 Berg Kaprow Lewis LLP transferred its audit business to BKL Audit LLP. The directors consented to treating the appointment of Berg Kaprow Lewis LLP as extending to BKL Audit LLP with effect from 1 April 2022.

Under section 487(2) of the Companies Act 2006, BKL Audit 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.

**MIFIDPRU 8 Disclosure**

The FCA requires disclosure of specified information about underlying risk management controls and capital position of regulated firms ("MIFIDPRU 8 Disclosure"). These disclosures are available online along with the remuneration disclosure at: <https://www.illiquidx.com>.

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

**G I Alabatchka**

Director

Date: 26 July 2022



**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ILLIQUIDX LIMITED**

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**Opinion**

We have audited the financial statements of Illiquidx Limited (the 'Company') for the year ended 31 March 2022, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, 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 March 2022 and of its loss 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**

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.

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ILLIQUIDX LIMITED (CONTINUED)**

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**Other information**

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' 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.

**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 set out 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 MEMBERS OF ILLIQUIDX LIMITED (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.

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:

- Enquiring of management and those charged with governance around actual and potential litigation and claims;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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.

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ILLIQUIDX LIMITED (CONTINUED)

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- 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.

**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

**BKL Audit LLP**

Chartered Accountants

Statutory Auditor

London

26 July 2022

ILLIQUIDX LIMITED

STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2022

	Note	2022 £	As restated 2021 £
Turnover	4	3,158,899	3,272,386
Cost of sales		(1,692,011)	(1,181,853)
<b>Gross profit</b>		<b>1,466,888</b>	<b>2,090,533</b>
Administrative expenses		(1,833,772)	(1,898,979)
Other operating income	5	-	7,583
<b>Operating (loss)/profit</b>	6	<b>(366,884)</b>	<b>199,137</b>
Interest payable and similar expenses		(312)	(193)
<b>(Loss)/profit before tax</b>		<b>(367,196)</b>	<b>198,944</b>
Tax on (loss)/profit	10	58,197	(50,278)
<b>(Loss)/profit for the financial year</b>		<b>(308,999)</b>	<b>148,666</b>

There was no other comprehensive income for 2022 (2021:£NIL).

The notes on pages 12 to 26 form part of these financial statements.

**ILLIQUIDX LIMITED**  
**REGISTERED NUMBER: 09617701**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2022**

	Note	2022 £	As restated 2021 £
<b>Fixed assets</b>			
Tangible assets	11	10,286	9,719
		<u>10,286</u>	<u>9,719</u>
<b>Current assets</b>			
Debtors	12	443,531	1,085,711
Current asset investments	13	101,100	101,528
Cash at bank and in hand	14	1,088,946	514,281
		<u>1,633,577</u>	<u>1,701,520</u>
Creditors: amounts falling due within one year	15	(617,699)	(408,326)
<b>Net current assets</b>		<u>1,015,878</u>	<u>1,293,194</u>
<b>Total assets less current liabilities</b>		<u>1,026,164</u>	<u>1,302,913</u>
Creditors: amounts falling due after more than one year	16	(32,250)	-
<b>Net assets</b>		<u><u>993,914</u></u>	<u><u>1,302,913</u></u>
<b>Capital and reserves</b>			
Called up share capital	17	1,203,750	1,203,750
Profit and loss account	18	(209,836)	99,163
		<u><u>993,914</u></u>	<u><u>1,302,913</u></u>

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

**G I Alabatchka**

Director

Date: 26 July 2022

The notes on pages 12 to 26 form part of these financial statements.

ILLIQUIDX LIMITED

STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2022

	Called up share capital £	Profit and loss account £	Total equity £
<b>At 1 April 2020</b>	1,203,750	(49,503)	1,154,247
<b>Comprehensive income for the year</b>			
Profit for the year (as restated)	-	148,666	148,666
<b>Total comprehensive income for the year</b>	-	148,666	148,666
<b>At 1 April 2021 (as previously stated)</b>	1,203,750	148,206	1,351,956
Prior year adjustment	-	(49,043)	(49,043)
<b>At 1 April 2021 (as restated)</b>	1,203,750	99,163	1,302,913
<b>Comprehensive income for the year</b>			
Loss for the year	-	(308,999)	(308,999)
<b>Total comprehensive income for the year</b>	-	(308,999)	(308,999)
<b>At 31 March 2022</b>	1,203,750	(209,836)	993,914

The notes on pages 12 to 26 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022**

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**1. General information**

Illiquidx Limited is a private Company limited by shares incorporated in England and Wales.

The principal activity of the Company was that of dealing in illiquid fixed income securities, trade claims, structured securities and private debt.

The principal place of business is: 346 Kensington High Street, W14 8NS.

**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 UK 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 Financial Reporting Standard 102 - reduced disclosure exemptions**

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Illiquidx Capital Limited as at 31 March 2022 and these financial statements may be obtained from Companies House.

**2.3 Going concern**

The directors have a reasonable expectation, based on their assessment of the Company's financial position and resources, and those of the Group, that it will continue in operational existence for the foreseeable future, being a period of at least twelve months from the date of approval of these financial statements, and will be able to meet its debts as they fall due. The directors therefore continue to adopt the going concern basis of accounting in preparing the annual financial statements.



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022

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**2. Accounting policies (continued)**

**2.4 Revenue**

Revenue is recognised to the extent that it is probable that the economic benefit 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 for services provided in the normal course of business. Turnover also includes distributions received in excess of the original cost of securities held.

Revenue from the sale of fixed income and other securities is recognised on the trade date in relation to sales made on a principal or matched principal basis. Revenue in relation to introduction and agent fees is recognised when the service is provided. Revenue in relation to distributions is recognised on a received basis. Revenue in relation to reimbursed transaction fees is recognised when the fees are incurred.

**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.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful lives range as follows:

Fixtures and fittings	-
	20% 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.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the statement of comprehensive income.

**2.6 Current asset investments**

Investments are initially recognised at cost. Subsequent to initial recognition, current asset investments are revalued to fair value with the movements recognised in the Statement of Comprehensive Income. Where market value or fair value cannot be reliably determined, such investments are stated at historic cost less impairment.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022**

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**2. Accounting policies (continued)**

**2.7 Financial instruments**

The Company only enters into basic financial instruments and transactions that result in the recognition of financial assets and liabilities like current asset investments, 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, and amounts owed by group undertakings, 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 offset 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 MARCH 2022**

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**2. Accounting policies (continued)**

**2.8 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.

**2.9 Coronavirus Job Retention Scheme income and expenditure**

Furlough income is receivable as compensation for salary expenses already incurred and to give immediate financial support to the Company with no future related costs. This income is recognised in the Statement of Comprehensive Income in the same period as the related expenditure.

**2.10 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.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

**2.11 Operating leases: the Company as lessee**

Rentals paid under operating leases are charged to the statement of comprehensive income on a straight-line basis over the lease term.

**2.12 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 MARCH 2022

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**2. Accounting policies (continued)**

**2.13 Taxation**

Tax is recognised in profit or loss 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 reporting 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**

In the application of the Company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

**(i) Valuation of current asset investments**

Current asset investments described in note 2.6, comprise distressed claims and fixed income securities held by the Company. Due to the distressed nature of these claims there is uncertainty regarding the amount that will be received in distributions against them. The directors estimate the value of the claim as the cost of the asset less any distributions received against it due to the inherent uncertainty regarding the recoverable value of the asset.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022**

**4. Turnover**

An analysis of turnover by class of business is as follows:

	<b>2022</b>	<i>As restated</i>
	<b>£</b>	<i>2021</i>
Trading income	<b>1,884,352</b>	<i>1,435,535</i>
Distributions received	<b>1,274,547</b>	<i>1,836,851</i>
	<b><u>3,158,899</u></b>	<i><u>3,272,386</u></i>

All turnover arose within the United Kingdom.

**5. Other operating income**

	<b>2022</b>	<i>2021</i>
	<b>£</b>	<i>£</i>
Coronavirus Job Retention Scheme income	<b>-</b>	<i>7,583</i>
	<b><u>-</u></b>	<i><u>7,583</u></i>

**6. Operating (loss)/profit**

The operating (loss)/profit is stated after charging:

	<b>2022</b>	<i>2021</i>
	<b>£</b>	<i>£</i>
Depreciation of tangible fixed assets	<b>6,062</b>	<i>6,848</i>
Exchange differences	<b>45,263</b>	<i>132,234</i>
Other operating lease rentals	<b>94,295</b>	<i>70,076</i>
Defined contribution pension costs	<b><u>28,771</u></b>	<i><u>28,356</u></i>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022**

**7. Auditors' remuneration**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	<u>13,596</u>	<u>13,400</u>

The Company has taken advantage of the exemption not to disclose amounts paid for non audit services as these are disclosed in the group accounts of the parent Company.

**8. Employees**

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

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Wages and salaries	<b>769,570</b>	<b>880,327</b>
Social security costs	<b>92,990</b>	<b>104,978</b>
Cost of defined contribution scheme	<b>28,771</b>	<b>28,356</b>
	<u><b>891,331</b></u>	<u><b>1,013,661</b></u>

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

	<b>2022</b>	<b>2021</b>
	<b>No.</b>	<b>No.</b>
Broking and administration staff	<b>10</b>	<b>9</b>
Directors	<b>2</b>	<b>2</b>
	<u><b>12</b></u>	<u><b>11</b></u>

**9. Directors' remuneration**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Directors' emoluments	<b>120,000</b>	<b>120,000</b>
Company contributions to defined contribution pension schemes	<b>5,421</b>	<b>5,403</b>
	<u><b>125,421</b></u>	<u><b>125,403</b></u>

During the year retirement benefits were accruing to 2 directors (2021 - 2) in respect of defined contribution pension schemes.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022**

**10. Taxation**

	<b>2022</b>	<i>2021</i>
	<b>£</b>	<b>£</b>
<b>Corporation tax</b>		
Current tax on profits for the year	<b>(58,197)</b>	<i>50,278</i>
	<b>(58,197)</b>	<i>50,278</i>
<b>Total current tax</b>	<b>(58,197)</b>	<i>50,278</i>

**Factors affecting tax charge for the year**

The tax assessed for the year is higher than *(2021 - higher than)* the standard rate of corporation tax in the UK of 19% *(2021 - 19%)*. The differences are explained below:

	<b>2022</b>	<i>As restated</i> <i>2021</i>
	<b>£</b>	<b>£</b>
(Loss)/profit on ordinary activities before tax	<b>(367,196)</b>	<i>198,944</i>
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% <i>(2021 - 19%)</i>	<b>(69,767)</b>	<i>37,799</i>
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	<b>40</b>	<i>2,264</i>
Capital allowances for year in excess of depreciation	<b>793</b>	<i>-</i>
Utilisation of tax losses	<b>35,325</b>	<i>-</i>
Adjustments to tax charge in respect of prior periods	<b>-</b>	<i>9,318</i>
Other differences leading to an increase (decrease) in the tax charge	<b>(6,865)</b>	<i>-</i>
Group relief	<b>(17,674)</b>	<i>-</i>
Deferred tax not recognised	<b>(49)</b>	<i>897</i>
<b>Total tax charge for the year</b>	<b>(58,197)</b>	<i>50,278</i>

**Factors that may affect future tax charges**

The UK Government announced its intention to increase the rate of UK corporation tax from 19% to 25% with effect from 1 April 2023. The increase in the rate of UK corporation tax was enacted in the Finance Act 2021 which received Royal Assent on 10 June 2021.

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022**

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**11. Tangible fixed assets**

	<b>Fixtures and fittings £</b>
<b>Cost</b>	
At 1 April 2021	<b>45,210</b>
Additions	<b>6,629</b>
	<hr/>
At 31 March 2022	<b>51,839</b>
	<hr/>
<b>Depreciation</b>	
At 1 April 2021	<b>35,491</b>
Charge for the year on owned assets	<b>6,062</b>
	<hr/>
At 31 March 2022	<b>41,553</b>
	<hr/>
<b>Net book value</b>	
At 31 March 2022	<b>10,286</b>
	<hr/> <hr/>
<b>At 31 March 2021</b>	<b>9,719</b>
	<hr/> <hr/>



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022**

**12. Debtors**

	<b>2022</b>	<i>As restated</i>
	<b>£</b>	<b>2021</b>
		<b>£</b>
<b>Due after more than one year</b>		
Other debtors	<b>21,000</b>	-
<b>Due within one year</b>		
Trade debtors	<b>9,630</b>	687,605
Amounts owed by group undertakings	<b>122</b>	13
Other debtors	<b>142,568</b>	125,199
Prepayments and accrued income	<b>270,211</b>	272,894
	<u><b>443,531</b></u>	<u><b>1,085,711</b></u>

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

**13. Current asset investments**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Unlisted investments	<b>101,100</b>	101,528
	<u><b>101,100</b></u>	<u><b>101,528</b></u>

**14. Cash and cash equivalents**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Cash at bank and in hand	<b>1,088,946</b>	514,281
	<u><b>1,088,946</b></u>	<u><b>514,281</b></u>

Included in cash and cash equivalents is £269,585 (2021: £112,162) held with firms through which the Company clears and settles transactions.

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ILLIQUIDX LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022

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15. Creditors: Amounts falling due within one year

	2022 £	2021 £
Trade creditors	359,580	209,997
Amounts owed to group undertakings	196,996	22,360
Corporation tax	-	50,278
Other creditors	8,137	2,503
Accruals and deferred income	52,986	123,188
	<u>617,699</u>	<u>408,326</u>

16. Creditors: Amounts falling due after more than one year

	2022 £	2021 £
Accruals and deferred income	32,250	-
	<u>32,250</u>	<u>-</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022**

**17. Share capital**

	2022 £	2021 £
<b>Allotted, called up and fully paid</b>		
1,203,750 (2021 - 1,203,750) Ordinary shares of £1.00 each	<u>1,203,750</u>	<u>1,203,750</u>

**18. Reserves****Profit and loss account**

Includes all current and prior period retained profits and losses.

**19. Prior year adjustment**

The comparative information in these financial statements has been restated from the figures previously reported in the prior year financial statements to reflect the correction of a debtor and subsequent income recognised in the Statement of Comprehensive Income.

The correction of the debtor has resulted in a decrease in other debtors of £49,043, and a decrease in turnover of the same amount.

The impact of this adjustment has resulted in a decrease in net assets and profits as previously reported by £49,043.

**20. 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 £28,771 (2021: £28,356). Contributions totalling £2,711 (2021: £2,503) were payable to the fund at the reporting date and are included in creditors.

**21. Commitments under operating leases**

At 31 March 2022 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2022 £	2021 £
Not later than 1 year	53,750	-
Later than 1 year and not later than 5 years	268,750	-
	<u>322,500</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022

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**22. Transactions with directors**

Included within other debtors is an amount of £Nil (2021: £87) that was owed from the directors of the Company.

Included within other creditors is an amount of £5,426 (2021: £Nil) that was owed to the directors of the Company.

**23. Related party transactions**

The Company has taken advantage of the exemption conferred by section 33.1A of Financial Reporting Standard 102: Related Party Disclosures, from the requirement to disclose transactions with wholly-owned group companies.

**24. Controlling party**

The ultimate parent undertaking of Illiquidx Limited is Illiquidx Capital Limited, which owns the entire issued share capital of the Company. Illiquidx Capital Limited prepares consolidated financial statements, which are available from Companies House.

The ultimate controlling party is C Amore by virtue of his shareholding in Illiquidx Capital Limited.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022

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**25. Risk management and own funds requirement**

The Company's principal financial instruments comprise balances with banks, brokers, clients and other debtors and creditors arising through the normal course of business.

***Liquidity risk***

At 31 March 2022, the Company held capital of £1,203,750.

Under normal trading conditions liquidity risk is not generally an issue, however, liquidity risk could become an issue in the event of one of the Company's settlement brokers or banks going into liquidation or in the event of a significant decrease or complete disappearance of volatility in the market.

***Credit risk***

The extent to which the Company provides credit to clients and, therefore, the extent to which it is subject to credit risk and how it is mitigated is governed by the terms and conditions of individual agreements with those clients.

With regard to bank deposits, the Company deposits money with several approved reputable credit institutions for diversification purposes.

***Market risk***

The Company's market risk is limited to its exposure to foreign exchange fluctuations, due to some assets and liabilities being denominated in currencies other than Sterling, and a position risk requirement based on the Company's own account positions in financial instruments.

The information on the next page details the composition of the firm's regulatory own funds.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022**

**Composition of regulatory own funds**

	2022 £
<b>OWN FUNDS</b>	<b>993,914</b>
<b>TIER 1 CAPITAL</b>	<b>993,914</b>
<b>COMMON EQUITY TIER 1 CAPITAL</b>	<b>993,914</b>
Fully paid up capital instruments	1,203,750
Share premium	
Retained earnings	(209,836)
Accumulated other comprehensive income	
Other reserves	
Adjustments to CET1 due to prudential filters	
Other funds	
(-) TOTAL DEDUCTIONS FROM COMMON EQUITY TIER 1	
CET1: Other capital elements, deductions and adjustments	
<b>ADDITIONAL TIER 1 CAPITAL</b>	
Fully paid up, directly issued capital instruments, including share premium	
(-) TOTAL DEDUCTIONS FROM COMMON EQUITY TIER 1	
Additional Tier 1: Other capital elements, deductions and adjustments	
<b>TIER 2 CAPITAL</b>	<b>993,914</b>
Fully paid up, directly issued capital instruments	
Share premium	
(-) TOTAL DEDUCTIONS FROM TIER 2	
Tier 2: Other capital elements, deductions and adjustments	
<b>Assets</b>	
Fixed Assets	10,286
Debtors	443,531
Current asset investments	101,100
Cash at bank and in hand	1,088,946
<b>Total Assets</b>	<b>1,643,863</b>
<b>Liabilities</b>	
Creditors: amounts falling due within one year	(617,699)
Creditors: amounts falling due after more than one year	(32,250)
<b>Total Liabilities</b>	<b>(649,949)</b>
<b>Shareholders' Equity</b>	
Called up share capital	1,203,750
Profit and loss account	(209,836)
<b>Total Shareholders' Equity</b>	<b>993,914</b>

**Own funds: main features of own instruments issued by the firm:**

Ordinary shares



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