

Allen Market Limited

Director's report and financial statements

For the year ended 31 December 2020

Registered number: 10519311



Company Information

Directors	Gary Boon
Registered number	10519311
Registered office	Level 30, 40 Bank Street Canary Wharf London E14 5NR
Independent auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL

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Director's report

For the year ended 31 December 2020

The directors present their report together with the consolidated financial statements of the Allen Market Limited group ('the group'), consisting of Allen Market Limited ('the company') and CPT Markets UK Limited ('the subsidiary'), for the year ended 31 December 2020.

Directors

The director who served during the year was:

Bin Ling (resigned 30 June 2021)

Lingli Yu (resigned 28 July 2020)

Gary Boon was appointed as a director on 15 June 2021

Director's responsibilities statement

The directors are responsible for preparing the Director's report and the consolidated 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 the group and of the profit or loss of the group for that period.

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

- select suitable accounting policies for the group'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 or the group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditor

The directors at the time when this Directors' report is approved have confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company and the group's auditor is 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 and the group's auditor is aware of that information.

Director's report (continued)

For the year ended 31 December 2020

Impact of COVID-19

The directors of the company have considered the ongoing impact of the COVID-19 pandemic on the company's and the group's operations.

The directors do not consider this to be cause for material uncertainty in respect of the company's or the group's ability to continue as going concerns. The company and the group have adapted well, successfully employing contingency plans, and the directors consider that the company and the group have sufficient financial resources to continue for the foreseeable future.

Small companies note

In preparing this report, the directors have taken advantage of the small companies' exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the Board on 30 July and signed on its behalf by:



Gary Boon
Director

Independent auditor's report to the members of Allen Market Limited

For the year ended 31 December 2020

Opinion

We have audited the financial statements of Allen Market Limited ('the parent company') and its subsidiary ('the group') for the year ended 31 December 2020, which comprise the Consolidated statement of comprehensive income, the Consolidated and Company statements of financial position, the Consolidated and Company statements of changes in equity, the Consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and 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 group's and of the parent company's affairs as at 31 December 2020 and of the group's 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The 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 Auditor's 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.

Independent auditor's report to the members of Allen Market Limited (continued)

For the year ended 31 December 2020

Other information (continued)

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 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 Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has 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 group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.
- the directors were not entitled to take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a Group strategic report.

Independent auditor's report to the members of Allen Market Limited (continued)

For the year ended 31 December 2020

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as going concerns, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

How the audit was considered capable of detecting irregularities including fraud

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

- the Senior Statutory Auditor ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations, including knowledge specific to auditing investment brokerage firms and their parent companies;
- we made enquiries of management as to where they considered there was susceptibility to fraud, and their knowledge of actual, suspected and alleged fraud;
- we identified the laws and regulations that could reasonably be expected to have a material effect on the financial statements of the company through discussions with directors and other management at the planning stage, and from our knowledge and experience of investment brokerage firms and their parent companies;
- the audit team held a discussion to identify any particular areas that were considered to be susceptible to misstatement, including with respect to fraud and non-compliance with laws and regulations; we considered the impact of COVID-19 on the group and parent company and their internal controls;
- we focused our planned audit work on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the group and the parent company including the Companies Act 2006, The Financial Services and Markets Act 2000, employment legislation, and taxation legislation; and
- we considered the impact of Brexit on the group and the parent company and the laws and regulations above.

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

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

Independent auditor's report to the members of Allen Market Limited (continued)

For the year ended 31 December 2020

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

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

- determined the susceptibility of the group and the parent company to management override of controls by checking the implementation of controls and enquiring of individuals involved in the financial reporting process, taking into account the impact of COVID-19 on controls during the year;
- reviewed journal entries throughout the year to identify unusual transactions, particularly in relation to expenditure;
- performed analytical procedures to identify any large, unusual or unexpected transactions and investigated any large variances from the prior period;
- reviewed accounting estimates and evaluated where judgements or decisions made by management indicated bias on the part of the company's management;
- carried out substantive testing to check the occurrence and cut-off of expenditure; and
- tested the completeness of income of the subsidiary by reviewing reports from liquidity providers and the trading platform and checking to postings in the nominal ledger.

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

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

There are inherent limitations in our audit procedures described above. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error as they may involve deliberate concealment or collusion. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

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

Use of our report

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



Peter Chapman (Senior statutory auditor)
for and on behalf of

Buzzacott LLP
Statutory Auditor
130 Wood Street
London
EC2V 6DL

30 July 2021

Consolidated statement of comprehensive income

For the year ended 31 December 2020

	2020 £	2019 £
Turnover	136,742	5,716
Cost of sales	-	-
Gross profit/(loss)	136,742	5,716
Administrative expenses	(1,108,249)	(1,579,679)
Operating loss	(971,507)	(1,573,963)
Interest receivable and similar income	245	26
Interest payable and expenses	-	(522)
Loss before taxation	(971,262)	(1,574,459)
Loss for the financial year	(971,262)	(1,574,459)
Loss for the year attributable to:		
Owners of the parent company	(971,262)	(1,574,459)
	(971,262)	(1,574,459)

All amounts relate to continuing operations.

There was no other comprehensive income for 2020 or 2019


The notes on pages 13 to 27 form part of these financial statements.

Consolidated statement of financial position

As at 31 December 2020

	Note	2020 £	2019 £
Fixed assets			
Intangible assets	11	3,129	138,396
Tangible assets	12	<u>3,852</u>	<u>3,565</u>
		6,981	141,961
Current assets			
Debtors	14	553,400	181,689
Cash at bank and in hand	15	<u>5,532,404</u>	<u>1,345,515</u>
		6,085,804	1,527,204
Creditors: amounts falling due within one year	17	<u>(3,291,539)</u>	<u>(166,780)</u>
Net current assets		<u>2,794,265</u>	<u>1,360,424</u>
Total assets less current liabilities		<u>2,801,246</u>	<u>1,502,385</u>
Creditors: amounts falling due after more than one year	18	<u>(1,468,113)</u>	<u>-</u>
Net assets		<u><u>1,333,133</u></u>	<u><u>1,502,385</u></u>
Capital and reserves			
Called up share capital	19	4,945,410	4,143,400
Profit and loss account	20	<u>(3,612,277)</u>	<u>(2,641,015)</u>
		<u><u>1,333,133</u></u>	<u><u>1,502,385</u></u>

The financial statements were approved and authorised for issue by the Board on 30 July and were signed on its behalf by:



Gary Boon
Director

The notes on pages 13 to 27 form part of these financial statements.

Company statement of financial position

As at 31 December 2020

		2020	2019
	Note	£	£
Fixed assets			
Intangible assets	11	1,000	2,000
Tangible assets	12	860	97
Investments	13	4,290,045	3,190,045
		<u>4,291,905</u>	<u>3,192,142</u>
Current assets			
Debtors	14	517	3,551
Cash at bank and in hand	15	1,814,428	675,066
		<u>1,814,945</u>	<u>678,617</u>
Creditors: amounts falling due within one year	17	(3,100)	(12,755)
Net current assets		<u>1,811,845</u>	<u>665,862</u>
Total assets less current liabilities		<u>6,103,750</u>	<u>3,858,004</u>
Creditors: amounts falling due after more than one year	18	(1,468,113)	-
Net assets		<u><u>4,635,637</u></u>	<u><u>3,858,004</u></u>
Capital and reserves			
Called up share capital	19	4,945,410	4,143,400
Profit and loss account brought forward		(285,396)	(227,395)
Loss for the year		(24,377)	(58,001)
Profit and loss account carried forward		<u>(309,773)</u>	<u>(285,396)</u>
		<u><u>4,635,637</u></u>	<u><u>3,858,004</u></u>

The financial statements were approved and authorised for issue by the Board on 30 July 2021 and were signed on its behalf by:



Gary Boon
Director

The notes on pages 13 to 27 form part of these financial statements.

Consolidated statement of changes in equity

For the year ended 31 December 2020

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2019	2,503,500	(1,066,556)	1,436,944
Comprehensive income for the year			
Loss for the year	-	(1,574,459)	(1,574,459)
Total comprehensive income for the year	-	(1,574,459)	(1,574,459)
 Shares issued during the year	 1,639,900	 -	 1,639,900
At 1 January 2020	4,143,400	(2,641,015)	1,502,385
Comprehensive income for the year			
Loss for the year	-	(971,262)	(971,262)
Total comprehensive income for the year	-	(971,262)	(971,262)
 Shares issued during the year	 802,010	 -	 802,010
At 31 December 2020	4,945,410	(3,612,277)	1,333,133

The notes on pages 13 to 27 form part of these financial statements.

Company statement of changes in equity

For the year ended 31 December 2020

	Called up share capital £	Profit and loss account £	Total equity £
At 1 January 2019	2,503,500	(227,395)	2,276,105
Comprehensive income for the year			
Loss for the period	-	(58,001)	(58,001)
Total comprehensive income for the year	-	(58,001)	(58,001)
Shares issue during the year	1,639,900	-	1,639,900
At 1 January 2020	4,143,400	(285,396)	3,858,004
Loss for the year	-	(24,377)	(24,377)
Total comprehensive income for the year	-	(24,377)	(24,377)
Shares issued during the year	802,010	-	802,010
At 31 December 2020	4,945,410	(309,973)	4,635,637

The notes on pages 13 to 27 form part of these financial statements.

Consolidated statement of cash flows

For the year ended 31 December 2020

	2020 £	2019 £
Cash flows from operating activities		
Loss for the financial year	(971,262)	(1,574,459)
Adjustments for:		
Amortisation of intangible assets	135,267	480,999
Depreciation of tangible assets	2,712	1,723
(Increase)/decrease in debtors	(371,711)	89,078
Increase/(decrease) in creditors	3,124,759	(3,356)
Net cash used in operating activities	1,919,765	(1,006,015)
Cash flows from investing activities		
Purchase of intangible fixed assets	-	(4,200)
Purchase of tangible fixed assets	(2,999)	(1,973)
Net cash used in investing activities	(2,999)	(6,173)
Cash flows from financing activities		
Issue of ordinary shares	802,010	1,639,900
New loans	1,468,113	-
Repayment of other loans	-	(120,000)
Net cash generated from financing activities	2,270,123	1,519,900
Net increase in cash and cash equivalents	4,186,889	507,712
Cash and cash equivalents at beginning of year	1,345,515	837,803
Cash and cash equivalents at the end of year	5,532,404	1,345,515
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	5,532,404	1,345,515
	5,532,404	1,345,515

The notes on pages 13 to 27 form part of these financial statements.

Notes to the financial statements

For the year ended 31 December 2020

1. General information

The company is a private company limited by shares. It is both incorporated and domiciled in England and Wales with registration number 10519311. The registered office address and principal place of business of the company is 30th floor, 40 Bank Street, Canary Wharf, London, E14 5NR.

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 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 group management to exercise judgement in applying the group's accounting policies (see note 3).

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of comprehensive income in these financial statements. The company's loss for the financial year was £58,001 (2019: - £159,125).

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the company and its subsidiary ('the group') as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. The results of acquired operations are included in the Consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

2.3 Going concern

For the year ended 31 December 2020, the group made a loss of £971,262 (2019: £1,574,459). However, at 31 December 2020, the company had net assets of £1,333,133 (2019: £1,502,385), and the company's ultimate controlling party, Mr Zhijan Wang, has confirmed his current intention to provide financial support to the company for at least 12 months from the date of approval of these financial statements. In addition, to demonstrate this intent and commitment, Mr Zhijan Wang has subscribed to an additional £802,010 of the company's share capital post year end.

The directors of the company have considered the ongoing impact of the COVID-19 pandemic on the company's and the group's operations.

The directors do not consider this to be cause for material uncertainty in respect of the company's or the group's ability to continue as going concerns. The company and the group have adapted well, successfully employing contingency plans, and the directors consider that the company and the group have sufficient financial resources to continue for the foreseeable future.

Therefore, the financial statements have been prepared on the going concern basis.

2.4 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Notes to the financial statements

For the year ended 31 December 2020

2. Accounting policies (continued)

2.5 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the group and the turnover can be reliably measured. Turnover 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 turnover is recognised:

Rendering of services

Turnover 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 turnover can be measured reliably;
- it is probable that the group 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.

2.6 Operating leases

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

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.7 Pensions

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

The contributions are recognised as an expense in the Consolidated statement of comprehensive income when they fall due. Amounts not paid are shown in other creditors as a liability in the Consolidated statement of financial position. The assets of the plan are held separately from the group in independently administered funds.

Notes to the financial statements

For the year ended 31 December 2020

2. Accounting policies (continued)

2.8 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.

2.9 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Consolidated statement of comprehensive income over its useful economic life.

Other 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 estimated useful lives range as follows:

Goodwill	-	23	months
Software development	-	3	years

Amortisation and impairment of intangible assets are recognised within administrative expenses.

Notes to the financial statements

For the year ended 31 December 2020

2. Accounting policies (continued)

2.10 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 group management.

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.

Depreciation is provided on the following basis:

Fixtures and fittings	- over 3 years
Office equipment	- over 3 years
Computer equipment	- over 3 years

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 Consolidated statement of comprehensive income.

2.11 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.12 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 Consolidated 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 group's cash management.

2.13 Client bank accounts

The subsidiary operates segregated client bank accounts in accordance with the Client Money regulations of the FCA. These accounts do not represent funds of the subsidiary and so the deposits are not recognised on the subsidiary's statement of financial position.

2.14 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Notes to the financial statements

For the year ended 31 December 2020

2. Accounting policies (continued)

2.15 Financial instruments

The group only enters into transactions that result in the recognition of basic financial instruments like trade and other debtors and creditors and loans from related parties.

Debt instruments that are payable or receivable within one year, typically trade creditors or debtors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially and subsequently, at the present value of the future payment discounted at a market rate of interest for a similar debt instrument.

Investments in subsidiary undertakings are measured at cost less impairment in the Company statement of financial position.

Financial assets that are measured at cost or amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the statement of income and retained earnings.

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

The preparation of the consolidated financial statements requires group management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the year-end date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

Due to the simplicity of the group's transaction streams and year-end financial position, the director considers there to be no critical judgements, estimates or assumptions in the preparation of these financial statements apart from the estimation of the useful economic life of goodwill and the decision to not recognise a deferred tax asset.

4. Turnover

Turnover is attributable to the group's principal activity of providing customers with access to trading in contracts for differences ('CFDs') in forex, equities, commodities and indices on a non-advisory and execution-only basis.

All turnover arose from activities performed within the United Kingdom.

Notes to the financial statements

For the year ended 31 December 2020

5. Operating loss

The operating loss is stated after charging:

	2020	2019
	£	£
Bad debt expense	-	101,465
Exchange differences	33,526	638
Operating lease rentals	79,992	91,047
	<u>79,992</u>	<u>91,047</u>

6. Auditor's remuneration

	2020	2019
	£	£
Fees payable to the group's auditor for the audit of the group's annual financial statements	3,250	3,000
	<u>3,250</u>	<u>3,000</u>

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

Auditing of associates of the group pursuant to legislation	7,500	7,000
Audit-related assurance services	4,000	4,000
All other non-audit services	11,000	11,500
	<u>11,000</u>	<u>11,500</u>

Notes to the financial statements

For the year ended 31 December 2020

7. Staff costs and average number of employees

All group staff costs relate to employees of the subsidiary, CPT Markets UK Limited.

The company has no employees other than the directors, who did not receive any remuneration (2019 - £nil).

Staff costs, including directors' remuneration during the year, were as follows:

	2020 £	2019 £
Wages and salaries	488,599	436,992
Social security costs	57,091	50,431
Cost of defined contribution scheme	11,948	10,197
	<u>557,638</u>	<u>497,620</u>

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

	2020 No.	2019 No.
Administrative staff	7	4
Directors - subsidiary	3	3
Directors - parent	1	2
	<u>11</u>	<u>9</u>

8. Interest receivable

	2020 £	2019 £
Other interest receivable	179	26
	<u>26</u>	<u>26</u>

Notes to the financial statements

For the year ended 31 December 2020

9. Interest payable and similar expenses

	2020	2019
	£	£
Other loan interest payable	-	522
	<u>-</u>	<u>522</u>
	<u><u>-</u></u>	<u><u>522</u></u>

10. Taxation

	2020	2019
	£	£
	<u>-</u>	<u>-</u>
Total current tax	<u><u>-</u></u>	<u><u>-</u></u>

Factors affecting tax charge for the year

The tax assessed for the year is higher than the standard rate of corporation tax in the UK of 19% (2019 – higher than 19%) as set out below.

	2020	2019
	£	£
Loss on ordinary activities before tax	<u>(971,262)</u>	<u>(1,095,934)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	<u>(184,539)</u>	<u>(208,227)</u>
Effects of:		
Expenses not deductible for tax purposes	29,625	937
Adjustment to bring deferred tax to average rate of 19% (2019 – 19%)	-	21,819
Deferred tax not recognized	<u>154,914</u>	<u>185,471</u>
Total tax charge for the year	<u><u>-</u></u>	<u><u>-</u></u>

Factors that may affect future tax charges

A deferred tax asset of £573,009 (2019 - £418,095) could be utilised against future profits. This deferred tax asset has not been recognised due to the uncertainty of future profits arising.

On 10 June 2021, the Finance Bill 2021 received Royal Assent. The Bill confirms an increase in the corporation tax rate from 1 April 2023. From this date, the rate will taper from 19% for businesses with profits of less than £50,000 to 25% for businesses with profits over £250,000.

Notes to the financial statements

For the year ended 31 December 2020

11. Intangible assets

Group	Software development £	Goodwill £	Total £
Cost			
At 1 January 2020	87,166	917,159	1,004,325
Additions	-	-	-
At 31 December 2020	<u>87,166</u>	<u>917,159</u>	<u>1,004,325</u>
Amortisation			
At 1 January 2020	81,685	784,244	865,929
Charge for the year	<u>2,352</u>	<u>132,915</u>	<u>135,267</u>
At 31 December 2020	<u>84,037</u>	<u>917,159</u>	<u>1,001,196</u>
Net book value			
At 31 December 2020	<u>3,129</u>	<u>-</u>	<u>3,129</u>
At 31 December 2019	<u>5,481</u>	<u>132,915</u>	<u>138,396</u>
Company			Software development £
Cost			
Beginning and end for the year			<u>3,000</u>
Amortisation			
At 1 January 2020			1,000
Charge for the year			<u>1,000</u>
At 31 December 2020			<u>2,000</u>
Net book value			
At 31 December 2020			<u>1,000</u>
At 31 December 2019			<u>2,000</u>

Notes to the financial statements

For the year ended 31 December 2020

12. Tangible fixed assets

Group

	Fixtures and Fittings £	Office equipment £	Computer equipment £	Total £
Cost				
At 1 January 2020	562	18,249	7,023	25,834
Additions	-	-	2,999	2,999
At 31 December 2020	562	18,249	10,022	28,838
Depreciation				
At 1 January 2020	562	18,249	3,458	22,269
Charge for the year	-	-	2,712	2,712
At 31 December 2020	562	18,249	6,170	24,981
Net book value				
At 31 December 2020	-	-	3,852	3,852
At 31 December 2019	-	-	3,565	3,565

Notes to the financial statements

For the year ended 31 December 2020

12. Tangible fixed assets (continued)

Company

	Computer equipment £
Cost	
At 1 January 2020	308
Additions	938
At 31 December 2020	<u>1,246</u>
Depreciation	
At 1 January 2020	211
Charge for the year	175
At 31 December 2020	<u>308</u>
Net book value	
At 31 December 2020	<u><u>860</u></u>
At 31 December 2019	<u><u>97</u></u>

13. Fixed asset investments

Company

	Investment in subsidiary company £
Cost or valuation	
At 1 January 2020	3,190,045
Additions	1,100,000
At 31 December 2020	<u><u>4,290,045</u></u>

Notes to the financial statements

For the year ended 31 December 2020

Subsidiary undertaking

At 31 December 2020, the following was the subsidiary undertaking of the company:

Name	Registered office	Principal activity	Class of shares	Holding
CPT Markets UK Limited	Level 30, 40 Bank Street , Canary Wharf, London, E14 5NR	Providing customers with access to trading in contracts for differences (‘CFDs’) in forex, equities, commodities and indices on a non-advisory and execution-only basis.	Ordinary	100%

14. Debtors

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Other debtors	514,612	147,132	517	3,551
Prepayments and accrued income	38,788	34,557	-	-
	553,400	181,689	517	3,551

Other debtors include rent deposits totalling £4,930 (2019 - £13,730) due in more than one year.

Also included in Other debtors is £507,468 (2019- £nil) due from liquidity providers. The balance is repayable on demand.

15. Cash and cash equivalents

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Cash at bank and in hand	5,532,404	1,345,515	1,814,428	675,066
	5,532,404	1,345,515	1,814,428	675,066

Notes to the financial statements

For the year ended 31 December 2020

16. Client bank accounts

The subsidiary operates segregated client money bank accounts. At 31 December 2020, the total balance of these accounts was £958,718 (2019 - £20,808).

17. Creditors: amounts falling due within one year

	Group 2020	Group 2019	Company 2020	Company 2019
	£	£	£	£
Trade creditors	20,011	28,318	-	-
Other creditors	3,236,472	80,550	-	-
Other taxation and social security	15,215	16,096	-	-
Accruals and deferred income	19,841	41,816	3,100	12,755
	3,291,539	170,136	3,100	12,755

18. Creditors: amounts falling due after more than one year

	Group 2020	Group 2019	Company 2020	Company 2019
	£	£	£	£
Other loans	1,468,113	-	1,468,113	-
	1,468,113	-	1,468,113	-

19. Share capital

	2020 £	2019 £
Allotted, called up and fully paid		
4,945,410 (2019: 4,143,400) Ordinary shares of £1.00 each	4,945,410	4,143,400

During the year, 802,010 Ordinary shares were issued at par.

20. Reserves

Profit and loss account

The profit and loss accounts includes all current and prior period retained profit and losses.

Notes to the financial statements

For the year ended 31 December 2020

21. Analysis of net debt

An analysis of changes in net debt has not been presented as all of the group's cash flows relate to movements in cash, and the group has no items to include in such an analysis other than the cash flows in the Consolidated statement of cash flows.

22. Contingent liabilities

There were no contingent liabilities at 31 December 2020 or 31 December 2019.

23. Pension commitments

The subsidiary operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the subsidiary in an independently administered fund. The pension cost charge represents contributions payable by the subsidiary to the fund and amounted to £11,948 (2019: £10,196). Contributions totaling £2,273 (2019: £2,835) were payable to the fund at 31 December 2020 and are included in creditors.

24. Capital commitments

The group had no capital commitments at 31 December 2020 or 31 December 2019.

25. Commitments under operating leases

At 31 December 2020, the group was committed to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2020 £	Group 2019 £
Not later than 1 year	38,380	81,700
Later than 1 year and not later than 5 years	4,930	13,730
	<u>95,430</u>	<u>95,430</u>

The company had no operating lease commitments at 31 December 2020 (2019 - £nil).

26. Related party transactions

The financial statements do not include disclosure of transactions between the company and its subsidiary as disclosure of such transactions is not required in accordance with Section 33.1A of FRS 102.

During the year, the sole shareholder provided a working capital loan to the company of £1,430,236 (2019 - £nil).

At 31 December 2020, £1,430,236 (2019 - £nil) was owed to the shareholder.

The sole shareholder is considered a related party by virtue of having control over the company.

Key management personnel compensation

During the year, there were no members of key management other than the directors.

Notes to the financial statements

For the year ended 31 December 2020

27. Events after the end of the reporting period

On 15 April 2020, the company received a working capital loan of \$2,000,000 from the sole shareholder.

On 15 June 2021, the company issued £1,430,236 £1 Ordinary shares at par and the loan was 'forgiven,' via conversion of the balance into share capital in the company.

28. Controlling party

The ultimate controlling party is considered to be Mr Zhijan Wang by virtue of 100% ownership of all the shares in Allen Market Limited.